

DRAFT BUDGET OF MTHONJANENI MUNICIPALITY



2014/15 TO 2016/17 MEDIUM TERM REVENUE & EXPENDITURE FORECASTS

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- At the municipal library
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ANNEXURE**Budget Related Policies****ABBREVIATIONS & ACRONYMS**

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	Municipality Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

PART 1- ANNUAL BUDGET

1.1 MAYORS REPORT

**SPEECH BY THE MAYOR OF MTHONJANENI MUNICIPALITY
CLLR S.M NDLANGAMANDLA PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF
THE TABLING OF THE 2014/2015 DRAFT BUDGET IN THE COUNCIL
CHAMBERS, MELMOTH, ON WEDNESDAY 26 MARCH 2014**

Thank you honourable Speaker, Greeting to Deputy Mayor (Cllr Gumede), all councillors , Municipal Manager (Mr Mnguni), Chief Financial Officer (Ms Simamane), Director Technical Services (Mr Xulu) and Director Corporate & Community Services (Adv. Buthelezi), observers and media.

VISION

Our vision is an economically sound municipality with effective infrastructure and a municipality that empowers people: protects the environment and demonstrates leadership excellence

In this tabled draft budget Council has endeavoured to achieve these calls and has tried to provide for this within its limited resources. Given the constraint on the revenue side, tough decisions have had to be made to ensure sustainable and maintenance of assets.

JOB CREATION

Council has decided to heed the Government's call for job creation and has partnered with the Department of Public Works to ensure that the EPWP is fully operation in this Municipality. The money for EPWP will increase for 2014/2015 financial year which will assist to ensure that service delivery is instigated accordingly.

INFRASTRUCTURE DEVELOPMENT

The total MIG allocation for 2014/15 financial year has increased from R12 487000 to R12 610 000.

We will continue to upgrade our infrastructure, as we now on phase 2 on rural roads and phase 4b on urban roads.

The upgrade of substation is also important to increase the capacity. It is in the process as we engaged with Eskom.

The council is committed to prevent fraud and corruption. Council has developed and implemented a risk management strategy and the audit committee is fully functional.

ORGANISATIONAL STRUCTURE

Due to the expanded functions, there had been enormous appointments, which will give the municipality the good publicity and ensuring efficiency on service delivery. We are also in the process of reviewing the organogram.

DEBT MANAGEMENT

Council has written off debts for qualifying rates payers, a concerted effort has been made to collect and reduce all outstanding debts. Public meetings have started informing the community about the importance of paying for services.

ASSET MANAGEMENT

Asset management is running and is kept up to date and ensuring that councils assets are managed properly. Asset register is in place and an official has been appointed to work on the assets.

We have responsibility of reducing expenditure on non-essential activities.

THE WAY FORWARD

Using the IDP and budget, this Council will ensure that service delivery is not compromised and financial control measures are tightened, including the ensuring of credit control policy and supply chain management policy be reviewed.

The Municipality will be undertaking several projects aimed at stimulated LED and job creation within its area of jurisdiction. The monitoring of these projects will be made.

1.2 COUNCIL RESOLUTIONS: MLMSC 14/251

On 26 March 2014 the Council of Mthonjaneni Local Municipality met in the Council Chambers of Mthonjaneni Municipality to consider the Draft annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. The Mthonjaneni Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.3. Budget Summary as contained in Table A1
 - 1.1.4. Budgeted financial performance (revenue and expenditure) as contained in Table A4
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table A6
 - 1.2.2. Budgeted Cash Flows as contained in Table A7
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Asset management as contained in Table A9
 - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of Mthonjaneni Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
3. To give proper effect to the municipality's annual budget, the Council of Mthonjaneni Local Municipality approves:
 - 3.1. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended is approved.
 - 3.2. That in terms of section 24(2) (c) (v) of the Municipal Finance Management Act, 56 of 2003 it be noted that the various budget related policies were not amended.
 - 3.3. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved with effect from 01 July 2014.
 - 3.4. That the salaries, wages and allowances of all employees be increased by 6.85% in accordance with the multiyear SALGBC wage agreement with effect from 01 July 2014.

- 3.5. That the salaries, wages and allowances of all Section 56 and 54a employees and other employees by the same %age with effect from 01 July 2014.

1.3 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

In the compilation of this budget the municipality has taken note of the Cabinet resolution of 23 October 2013 by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measure as of January 2014. These cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus arrears namely consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as accommodation.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Most of which will benefit the municipality as well as consumers. COGTA has also responded to our request for revenue enhancement support. The Department has appointed **KPMG** to assist in the exercise.

National Treasury's MFMA Circular No. 70, 71 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no longer be affordable;
- Escalating electricity losses
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies and the absorption of fire fighters,
- Affordability of capital projects – only R3 million will be received as a grant for rural electrification projects, which will result in a further strain on investments.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

R thousand	Adjustment budget 2014/15	Budget year 2014/15	Budget year +1 2015/16	Budget year +2 2016/17
Total operating revenue	58 761	78 605	83 007	87 655
Total operating expenditure	68 239	72 035	76 064	80 328
Surplus/(Deficit) for the year	166 32	22 181	29 924	23 771
Total capital expenditure	55 058	31 103	31 246	26 336

Total operating revenue has increased by 34% or R19.8 million for the 2014/15 financial year when compared to the 2014/15 adjustments budget due to the general increase in the services charge and increases in the government grant allocations for the 2014/15 financial year. For the outer years, operational revenue will increase by 5.6% respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at R71.2 million and translates into a budget surplus of R22.9 million. When compared to the 2013/14 Adjustment Budget, operational expenditure has increased by 5 % in the 2014/15 budget and increased by 5, 6% for each of respective outer years of the MTREF.

The capital budget of R31.8 million for 2014/15 is 43% less compared to the 2013/14 Adjustment Budget as major assets have been replaced in the current year. The capital budget of Mthonjaneni Municipality is funded by National Government Grants i.e. Municipal Infrastructure Grant to the extent of R12.6 million, R3 million in respect of INEP and R750 thousand of the EPWP. The balance of capital asset will be funded from internally generated funds.

1.4 OPERATING REVENUE FRAMEWORK

For Mthonjaneni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to

be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue sourceA4

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source								
Property rates	5 695	6 106	7 085	6 200	7 150	9 274	9 794	10 342
Property rates - penalties & collection charges	495	545	337	450	450	475	502	530
Service charges - electricity revenue	11 023	13 469	16 696	18 322	18 322	19 806	20 915	22 086
Service charges - refuse revenue	977	944	1 079	1 113	1 113	1 209	1 276	1 348
Rental of facilities and equipment	394	457	498	385	275	446	471	497
Interest earned - external investments	2 341	2 763	3 410	1 750	3 800	2 800	2 957	3 122
Fines	19	1 582	2 462	1 902	2 600	3 000	3 168	3 345
Licences and permits	2 587	2 774	2 795	2 832	2 832	3 344	3 531	3 729
Transfers recognised - operational	22 753	27 272	39 697	33 139	21 377	37 944	40 069	42 313
Other revenue	787	2 587	428	755	841	308	325	343
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	47 072	58 498	74 487	66 848	58 761	78 605	83 007	87 655

Table 3 percentage growth in revenue by main revenue source

Description R thousand	2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2014/15		Budget Year +1 2015/16		Budget Year +2 2016/17	
Revenue By Source								
Property rates	7 150	12.17%	9 274	11.80%	9 794	11.80%	10 342	11.80%
Property rates - penalties & collection charges	450	0.77%	475	0.60%	502	0.60%	530	0.60%
Service charges - electricity revenue	18 322	31.18%	19 806	25.20%	20 915	25.20%	22 086	25.20%
Service charges - refuse revenue	1 113	1.89%	1 209	1.54%	1 276	1.54%	1 348	1.54%
Rental of facilities and equipment	275	0.47%	446	0.57%	471	0.57%	497	0.57%
Interest earned - external investments	3 800	6.47%	2 800	3.56%	2 957	3.56%	3 122	3.56%
Fines	2 600	4.42%	3 000	3.82%	3 168	3.82%	3 345	3.82%
Licences and permits	2 832	4.82%	3 344	4.25%	3 531	4.25%	3 729	4.25%
Transfers recognised - operational	21 377	36.38%	37 944	48.27%	40 069	48.27%	42 313	48.27%
Other revenue	841	1.43%	308	0.39%	325	0.39%	343	0.39%
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	58 761	100.00%	78 605	100.00%	83 007	100.00%	87 655	100.00%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise 11.8% of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled R7.5million. Revenue generated from property rates is expected to increase to R9.2

million although tariffs have not been increased in order to encourage a high collection rate in the year 2014/15. Revenue increases by 5.6% in the outer financial years of the MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Revenue generated from electricity constitutes 25% of the total anticipated revenue for the year 2014/15 which is a 7 % increase from the current year in-line with the incremental percentage granted by NERSA. The revenue from this service increase by 5.6% over the outer years of the MTREF respectively.

Revenue generated from traffic fines is also anticipated to increase for the 2014/15 financial year as the Municipality has increased its paying points for easy accessibility to motorists a total amount of R3 million will be generated through traffic fines next year.

'Other revenue' which consists of various items such as income received from permits and business licenses, building plan fees, rezoning fees, library fines etc. will total R308 thousand in the year 2014/15 an decrease of R533 thousand from the revenue of the current year. Departments have reviewed the tariffs of these items and ensured they are cost reflective and market related however some tariffs such as library photo copies and swimming pool fees will remain unchanged due to an outcry by the community.

Operating grants and transfers totals R37.9million in the 2014/15 financial year and steadily increases to R42.3 by 2015/16. Note that the year-on-year growth is 5.6% in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

GRANTS	2014/2015	2015/2016	2016/2017
	R'000	R'000	R'000
EQUITABLE SHARE	31 674	38 660	38 773
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	934	967	1 018
EPWP	2 375		
FINANCE MANAGEMENT GRANT	1 800	1 950	2 100
COGTA LAND USE SYSTEMS GRANT	500		
PROVINCIALISATION OF LIBRARIES GRANT	661	699	956
TOTAL	37 944	40 069	42 313

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6% upper boundary of the South African Reserve Bank's inflation

target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. The tariffs for the year 2014/15 have been increased by 5.6%

The percentage increases of Eskom tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 66 and 67 deal, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year are contained below. Tariffs for property rates have remained unchanged to encourage a high collection rate. In the 2013/14 year a new policy was introduced of writing off debts for rate payers who wish to clear overdue debts.

Table 5 Comparison of proposed rates to be levied for the 2014/15 financial year

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
	R	R
Residential properties	1.24	1.24
State owned properties	1.24	1.24
Business & Commercial	1.24	1.24
Agriculture	0.31	0.31
Public service infrastructure	0.31	0.31

The following rebates have been approved

Table 6 Approved rebates on property rates

Category	Rebate (from 1 July 2014)
Residential properties	20%
State owned properties	20%
All other properties other than residential, state, agriculture and public service infrastructure	16%
Public service infrastructure	30%
Agriculture	5%

1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An 8.06% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by 7.39% to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

The following table shows the impact of the proposed increases in electricity tariffs for domestic and commercial customers:

**Table 7 Comparison between current electricity charges and increases
(Domestic and Commercial)**

ELECTRICITY TARIFFS	2013/14	2014/15	%Increase
Domestic Prepaid – Low	92.7	99.55	7.39
Domestic Prepaid			
1 - 50 kWh	92.7	99.55	7.39
51 - 350 kWh	102.46	110.03	7.39
351 - 600 kWh	136.62	146.72	7.39
601 - 99999 kWh	162.23	174.22	7.39
Domestic Credit			
1 - 50 kWh	76.85	82.53	7.39
51 - 350 kWh	95.14	102.17	7.39
351 - 600 kWh	134.29	144.21	7.39
601 - 99999 kWh	156.13	167.67	7.39
Basic Charge: Single Phase			7.39
Domestic: 70 Amps – Basic: per month	60.99	65.50	7.39

Commercial Prepaid	167.11	179.46	7.39
commercial prepaid three phase	182.97	196.49	7.39
Commercial: 70 Amps basic	257.38	276.40	7.39
energy	111	119.20	7.39
3 Phases			
Commercial: 60 Amps basic	257.38	276.40	7.39
energy	111	119.20	7.39
Commercial: 100 Amps basic	257.38	276.40	7.39
energy	111	119.20	7.39
Large Customers			
Greater than 100 Amps – KVA	165.89	178.15	7.39
energy	69.53	74.67	7.39

It should further be noted that NERSA has advised that a stepped tariff structure was implemented from 1 July 2011. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). This Municipality will continue to implement the stepped tariff structure in the year 2014/15.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. The upgrading of the Municipality's electricity network has therefore become a strategic priority. A further R12 million has been budgeted for the upgrading of the power station on top of an allocation of R15 million in the 2013/14 financial year.

1.4.3 Waste Removal and Impact of Tariff Increases

Currently the rendering of this service is trading at a deficit. While it is widely accepted that the rendering of this service should at least break even our current situation is not acceptable. This points out that the current tariffs are not cost reflective and do not cover the different cost components of providing this service.

An 8% increase in the waste removal tariff is proposed from 1 July 2014. The aim is to have appropriately structured, cost reflective solid waste tariffs by 2015 as prescribed by treasury. Any increase higher than 8% would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

Table 8 Comparison between current waste removal fees and increases**1.4.4 Overall impact of tariff increases on households**

REFUSE REMOVAL	2013/14	2014/15
	R	R
1. Private dwelling, per refuse receptacle for clearance once a week, - Melmoth (tariff per month)	58.09	62.74
- Thubalethu	21.12	22.81
2. Business premises, industrial premises and administrative premises of the State on a daily basis i.e. 6 days per week		
a. Up to and including 2 refuse receptacles per month	200,64	216.69
b. In excess of 2 but not exceeding 4 refuse receptacles, per month	264,00	285.12
c. In excess of 4 but not exceeding 6 refuse receptacles, per month	348,48	376.36
d. For each additional receptacle in excess of 6, Per month	84,48	91.24
GARDEN REFUSE		
a. By tractor and small trailer, per load	300,96	325.04
b. By tractor and large trailer, per load	422,40	456.19
c. Clearing lots: Cost plus	21%	22.68%
d. Clearing of Building rubble, per load	480.48	518.92

The following table reflects the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at 5.6 %.

Table 9 MBRR Table SA14 – Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year % incr.	Budget Year	Budget Year +1	Budget Year +2
Rand/cent									
Monthly Account for Household - 'Middle Income Range'									
Rates and services charges:									
Property rates	595.32	817.52	844.50	844.50	844.50	–	844.50	844.50	844.50
Electricity: Basic levy	34.90	42.00	57.00	60.99	60.99	7.0%	65.26	69.83	74.72
Electricity: Consumption	738.00	898.50	948.82	1 201.18	1 201.18	7.0%	1 285.26	1 375.23	1 471.50
Refuse removal	40.35	42.75	55.01	58.09	58.09	8.0%	62.74	67.13	71.83
sub-total	1 408.57	1 800.77	1 905.33	2 164.76	2 164.76	4.3%	2 257.76	2 356.69	2 462.54
VAT on Services									
Total large household bill:	1 408.57	1 800.77	1 905.33	2 164.76	2 164.76	4.3%	2 257.76	2 356.69	2 462.54
% increase/-decrease		27.8%	5.8%	13.6%	–		–	4.4%	4.5%
Monthly Account for Household - 'Affordable Range'									
Rates and services charges:									
Property rates	236.46	230.02	245.00	237.60	237.60	–	237.60	250.91	264.96
Electricity: Basic levy	34.90	42.00	57.00	60.99	60.99	7.0%	65.26	68.91	72.77
Electricity: Consumption	273.52	369.50	392.82	499.22	499.22	7.0%	534.17	564.08	595.67
Refuse removal	40.35	42.72	55.01	58.09	58.09	8.0%	62.74	66.25	69.96
sub-total	585.23	684.24	749.83	855.90	855.90	5.1%	899.76	950.15	1 003.36
VAT on Services									
Total small household bill:	585.23	684.24	749.83	855.90	855.90	5.1%	899.76	950.15	1 003.36
% increase/-decrease		16.9%	9.6%	14.1%	–		–	5.6%	5.6%
			-0.43	0.48	-1.00				
Monthly Account for Household - 'Indigent'									
Household receiving free basic services									
Rates and services charges:									
Electricity: Consumption	36.00	35.00	35.00	38.84	38.84	7.0%	41.56	43.89	46.34
Refuse removal	17.00	18.01	20.00	21.12	21.12	8.0%	22.81	24.09	25.44
sub-total	53.00	53.01	55.00	59.96	59.96	7.4%	64.37	67.97	71.78
VAT on Services									
Total small household bill:	53.00	53.01	55.00	59.96	59.96	7.4%	64.37	67.97	71.78
% increase/-decrease		0.0%	3.8%	9.0%	–		–	5.6%	5.6%

The above table reflects cost implications on households of proposed rates and tariff changes. Examples of municipal bills that are generally representative of household bills in the Mthonjaneni area have been used in the compilation of this table.

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit,
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA,
- The capital programmes aligned to the asset renewal strategy and backlog eradication plan,
- Operational gains and efficiencies will be directed to funding the capital budget and other core services, and
- Strict adherence to the principle of *no project planno budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item A4

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type								
Employee related costs	13 916	13 945	15 108	18 556	19 595	24 488	25 860	27 308
Remuneration of councillors	2 346	2 551	2 666	2 879	2 879	2 790	2 947	3 112
Debt impairment	1 795		83		–	1 150	1 214	1 282
Depreciation & asset impairment	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Finance charges				2 500	–			
Bulk purchases	8 863	11 944	14 295	17 456	17 456	18 433	19 465	20 555
Other materials	1 628	1 741	2 192	3 587	3 158	2 506	2 647	2 795
Contracted services	658	766	3 204	5 193	6 782	2 746	2 899	3 062
Transfers and grants	–	–	240	–	–	405	428	452
Other expenditure	9 607	12 352	22 623	12 276	14 669	16 216	17 124	18 083
Loss on disposal of PPE	120				–			
Total Expenditure	41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328

Table 11 Operating expenditure expressed as percentages

Description	2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget		Budget Year 2014/15		Budget Year +1 2015/16		Budget Year +2 2016/17	
Expenditure By Type								
Employee related costs	19 595	28.72%	24 488	34.00%	25 860	34.00%	27 308	34.00%
Remuneration of councillors	2 879	4.22%	2 790	3.87%	2 947	3.87%	3 112	3.87%
Debt impairment	–		1 150	1.60%	1 214	1.60%	1 282	1.60%
Depreciation & asset impairment	3 700	5.42%	3 300	4.58%	3 485	4.58%	3 680	4.58%
Bulk purchases	17 456	25.58%	18 433	25.59%	19 465	25.59%	20 555	25.59%
Other materials	3 158	4.63%	2 506	3.48%	2 647	3.48%	2 795	3.48%
Contracted services	6 782	9.94%	2 746	3.81%	2 899	3.81%	3 062	3.81%
Transfers and grants	–		405	0.56%	428	0.56%	452	0.56%
Other expenditure	14 669	21.50%	16 216	22.51%	17 124	22.51%	18 083	22.51%
Total Expenditure	68 239	100.00%	72 035	100.00%	76 069	100.00%	80 328	100.00%

The budgeted allocation for employee related costs for the 2014/15 financial year totals R23.4 million, which equals 34 % of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.8% for the 2014/15 financial year. The municipality will also absorb employees of RURAL METRO permanently as of the 1st of July 2014 resulting in an increase in employee costs. A provision of R1 million has also been created for a possible increase to staff salaries, engagements between SAMWU and SALGA are still taking place.

Expenditure against overtime was significantly reduced and limited to 4% as prescribed by treasury, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

As a result of the Debt Write-off Policy introduced in the current year 2013/14, which calls for defaulters to make payment arrangements whilst it also permits for 50% of the outstanding debt of the applicant to be written off. the municipality has thus provided for debt impairment.

While debt impairment is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The budgeted contribution towards debt impairment for the 2014/15 year is R1.1 million.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R3.3 million for the 2014/15 financial and equates to 4.6% of the total operating expenditure. There has been a decrease in the provision for depreciation, as the municipality has auctioned redundant assets in the current year.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses. Bulk purchases amount to 25.6% of the total operating budget.

Other materials comprise of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2014/15 the appropriation against this group of expenditure has decreased by 21 % or R 652 thousand this is due to that fact that numerous major assets such as equipment and vehicles were auctioned and replaced with new assets in the 2013/14 financial year. Thus a lesser amount has been budgeted for repairing of assets.

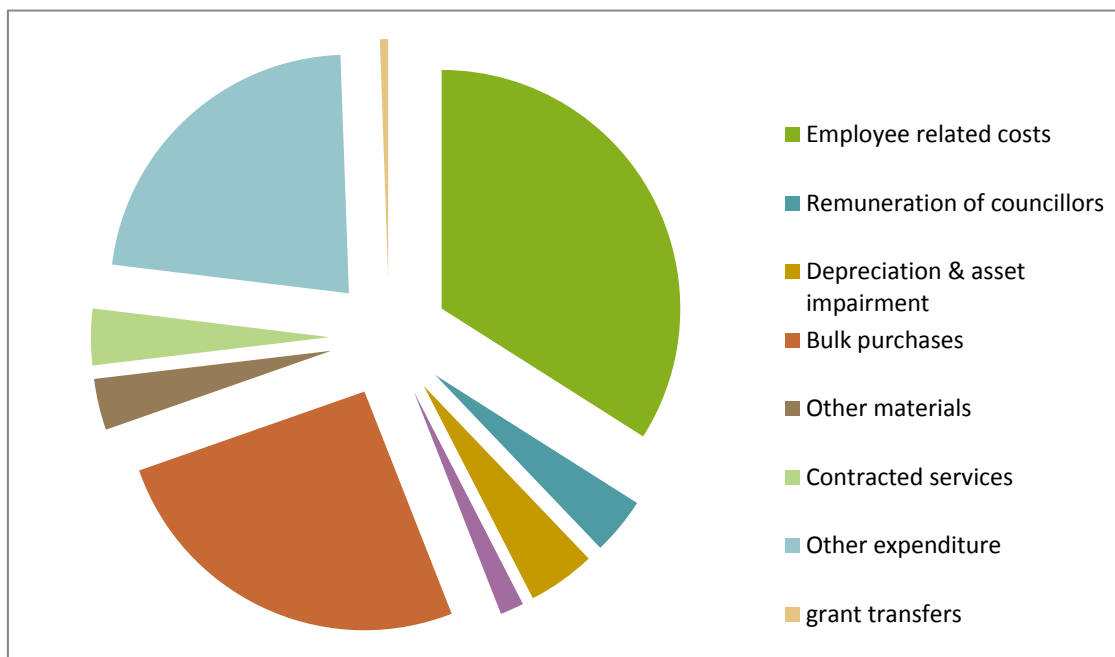
Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated. In the 2014/15 financial year, this group of expenditure totals R2.7million and has decreased by 60%. This is due to the absorption of fire fighters which was previously a contracted service. For the two outer years growth has been limited to 5.6%

The process of identifying further cost efficiencies will continue in the 2014/15 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities such as traffic management cameras that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

Grant transfers are grants and subsidies given to the community these include free basic electricity for part of the community that is being provided electricity by Eskom, indigent support, pensioner's rebates, bursaries and pauper burials the total budgeted amount is R405 thousand.

The following table reflects a breakdown of the main expenditure categories for the 2014/15 financial year.

Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget provides for in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

The following table lists the total anticipated cost for repairs and maintenance on infrastructure and assets for the year 2014/15 and the comparison years.

Table 12 Repairs and maintenance per asset class

Description	2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Infrastructure	822	865	914	965
Infrastructure - Road transport	423	465	491	519
<i>Roads, Pavements & Bridges</i>	423	465	491	519
Infrastructure - Other	400	400	422	446
<i>Waste Management</i>	400	400	422	446
Community	–	50	53	56
Sportsfields & stadia		50	53	56
Other				
Other assets	2 336	1 591	1 680	1 774
General vehicles	690	492	520	549
Specialised vehicles	–	–	–	–
Plant & equipment	534	504	532	562
Computers - hardware/equipment	40	50	53	56
Furniture and other office equipment	5	45	48	50
Civic Land and Buildings	320			
Other Buildings	697	500	528	558
Other	50			
Total Repairs and Maintenance Expenditure	3 158	2 506	2 647	2 795

For the 2014/15 financial year 64 % or R1.5 million of total repairs and maintenance will be spent on other assets such as vehicles and land and buildings. Followed by road infrastructure at 19 % or R400 thousand the municipality will continue to invest in the maintenance of road infrastructure. A portion on MIG will also be used for the renewal of roads in the current year. Infrastructure relating to waste management has been allocated 17 % of the total budgeted for repairs and maintenance an amount of R422 thousand.

More than 80% of repairs and maintenance to infrastructure is done in-house this has resulted in cost savings in this area.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target was to register more indigent households during the 2013/14 financial year, this target was met the current indigent register now reflects 679 indigent households.

In the 2014/15 financial year it is anticipated that R300 thousand will be allocated towards the provision of free basic electricity for those families which are on indigent support. An amount of R 60 thousand will be contributed towards the provision of refuse removal services for these families.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Going forward it will be our priority to reduce the number of households on the indigent register through job creation and programs such as EPWP and FFP (food for waste program), ensuring that those that are hired are equipped with certain skills by the end of the program, for future employment.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 MBRR A10 (Basic Service Delivery Measurement).

1.6 Capital expenditure

The following table reflects a breakdown of budgeted capital expenditure by vote:

Table 13 2014/15 Medium-term capital budget per vote

<u>CAPITAL BUDGET</u>	<u>RANDS</u>
COUNCIL	
Office equipment	6 000
	<u>6 000</u>
EXECUTIVE	
office furniture	40 000
	<u>40 000</u>
FINANCE	
Office furniture	25 000
computers	25 000
	<u>50 000</u>
CORPORATE	
Computers and other office equipment	<u>119 000</u>
PROTECTION SERVICES	
Equipment	208 847
	<u>208 847</u>
TECHNICAL SERVICES	
ROADS	12 610 000
Equipment	60 000
	<u>12 670 000</u>
TOWN ESTATE	
equipment	183 000
tractor	500 000
TLB	700 000
furniture halls	100 000
	<u>1 483 000</u>
ELECTRICITY	
Power station	12 000 000
Equipment	1 536 480
rural electrification	3 000 000
	<u>16536480</u>
TOTAL	<u>31103327</u>
FUNDED BY:	
GRANTS	<u>15 610 000</u>
INVESTMENTS	<u>12 000 000</u>
SURPLUS CASH	<u>3 493 327</u>

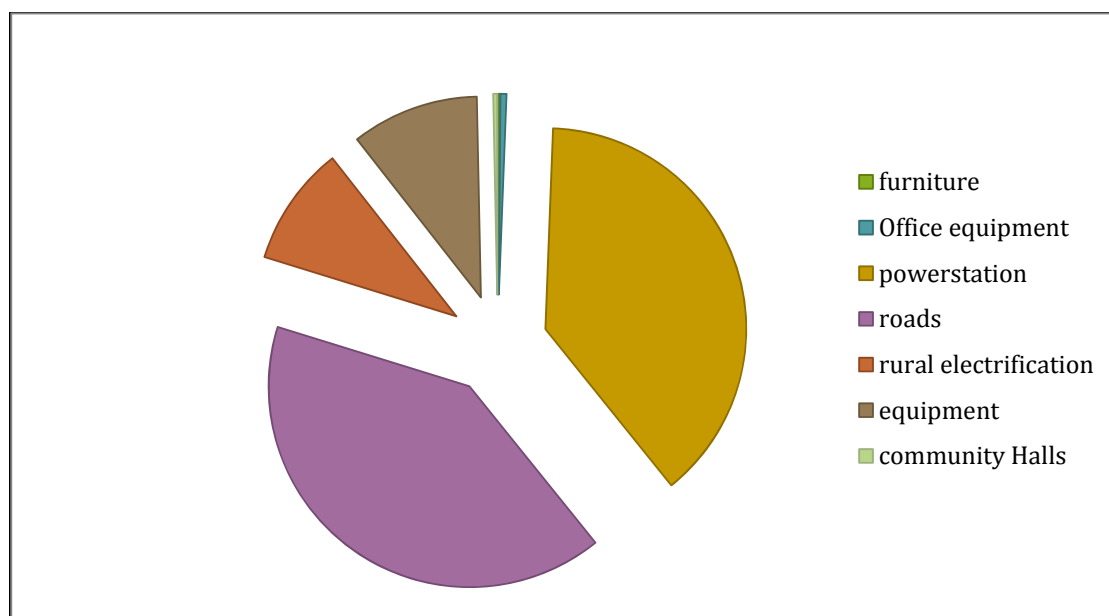
An amount of R12.6 million will be allocated towards road infrastructure this is the total municipal infrastructure grant. 60 % of this Budget will be aimed towards rural roads and the balance of 40 % towards urban roads as agreed by council.

The municipality also anticipates to invest R12 million towards building a new power station, this will be funded from the municipalities own investments. The balance of the capital budget will be funded from internally generated funds.

A total of R3 million being 10 % of the capital budget will be used towards acquiring equipment, this will improve the service delivery capacity of the municipality.

The following pie chart provides a breakdown of the capital budget to be spent on capital for the year 2013/2014.

Figure 2 Capital budget



1.7 ANNUAL BUDGET TABLES PARENT MUNICIPALITY

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance								
Property rates	6 190	6 651	7 422	6 650	7 600	9 749	10 295	10 872
Service charges	12 000	14 413	17 775	19 435	19 435	21 014	22 191	23 434
Investment revenue	2 341	2 763	3 410	1 750	3 800	2 800	2 957	3 122
Transfers recognised - operational	22 753	27 272	39 697	33 139	21 377	37 944	40 069	42 313
Other own revenue	3 787	7 400	6 183	5 874	6 548	7 097	7 495	7 915
	47 072	58 498	74 487	66 848	58 761	78 605	83 007	87 655
Gains on disposal of PPE								
Employee costs	13 916	13 945	15 108	18 556	19 595	24 488	25 860	27 308
Remuneration of councillors	2 346	2 551	2 666	2 879	2 879	2 790	2 947	3 112
Depreciation & asset impairment	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Finance charges	–	–	–	2 500	–	–	–	–
Materials and bulk purchases	10 491	13 686	16 487	21 043	20 613	20 939	22 112	23 350
Transfers and grants	–	–	240	–	–	405	428	452
Other expenditure	12 180	13 118	25 910	17 468	21 452	20 112	21 238	22 427
Loss on disposal of PPE	41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328
Surplus/(Deficit)	5 143	12 644	10 877	702	(9 478)	6 571	6 938	7 327
Contributions recognised - capital & cont	15 235	22 427	23 663	12 487	26 110	15 610	22 986	23 771
	–	–	–	–	–	–	–	–
Contributed assets	20 378	35 071	34 540	13 189	16 632	22 181	29 924	31 098
Share of surplus/ (deficit) of associate	20 378	35 071	34 540	13 189	16 632	22 181	29 924	31 098
Capital expenditure & funds sources								
Capital expenditure	19 864	25 071	39 505	34 200	55 058	31 103	31 246	26 336
Transfers recognised - capital	15 235	24 769	39 505	12 487	26 110	15 610	22 986	23 771
Transfers recognised - capital	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–
internally generated funds	4 629	303	–	21 713	28 948	15 493	8 260	2 565
Total sources of capital funds	19 864	25 071	39 505	34 200	55 058	31 103	31 246	26 336
Financial position								
Inventory	40 475	67 545	75 287	39 546	39 546	27 204	34 455	48 154
Other non-current assets	81 082	97 110	124 968	183 230	183 230	195 220	219 245	232 795
Provisions	6 879	18 588	18 464	27 425	27 425	5 982	3 571	3 492
Provisions	1 975	3 501	5 761	2 544	2 544	3 304	3 536	3 783
Community wealth/Equity	112 704	142 565	176 030	192 807	192 807	213 138	246 593	273 674
Cash flows								
Net cash from (used) operating	15 496	48 962	35 043	42 817	10 357	31 277	43 491	44 663
Net cash from (used) investing	(19 585)	(22 879)	(29 308)	(34 200)	(55 058)	(31 103)	(22 246)	(17 336)
Net cash from (used) financing	(52)	309	203	60	60	80	100	120
Cash/cash equivalents at the year beg	34 710	61 103	67 041	72 081	22 400	22 654	43 999	71 446
Cash backing/surplus reconciliation								
R thousand	34 710	61 103	65 983	37 040	37 040	22 654	30 205	44 234
working capital requirements	(53)	11 205	8 187	24 015	24 141	563	(1 787)	(1 847)
Balance - surplus (shortfall)	34 763	49 897	57 796	13 025	12 899	22 091	31 992	46 081
Asset management								
Asset register summary (WDV)	7 778	7 752	7 667	57 304	183 230	195 220	219 245	232 795
EXPENDITURE OTHER ITEMS	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Renewal of Existing Assets	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	1 741	2 192	2 714	3 158	2 506	2 647	2 795

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised are reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Over the MTREF there is progressive improvement in the level of cash-backing of obligations
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the public. The amount of services provided by the municipality including free basic services continues to increase.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard								
<i>Governance and administration</i>	24 528	40 294	54 004	41 603	34 793	50 598	53 432	56 424
Executive and council	2 600	2 000	–	–	–	–	–	–
Budget and treasury office	21 868	38 233	54 002	41 598	34 788	50 593	53 427	56 419
Corporate services	60	61	2	5	5	5	5	6
<i>Community and public safety</i>	6 524	9 229	666	628	2 976	648	685	723
Community and social services	4 731	7 436	666	628	2 976	648	685	723
Public safety	910	910	–	–	–	–	–	–
Health	883	883	–	–	–	–	–	–
<i>Economic and environmental services</i>	12 236	15 468	14 274	17 544	22 280	18 954	20 015	21 136
Road transport	12 236	15 468	14 274	17 544	22 280	18 954	20 015	21 136
<i>Trading services</i>	19 019	15 934	29 207	19 559	24 822	24 014	31 861	33 143
Electricity	17 542	14 490	28 128	18 445	23 708	22 806	30 585	31 795
Waste management	1 477	1 444	1 079	1 115	1 115	1 209	1 276	1 348
Total Revenue - Standard	62 307	80 925	98 150	79 335	84 871	94 215	105 993	111 426
Expenditure - Standard								
<i>Governance and administration</i>	16 561	16 353	23 559	22 128	22 521	27 012	28 524	30 122
Executive and council	3 577	4 693	5 702	7 303	7 047	7 590	8 015	8 464
Budget and treasury office	9 364	6 698	11 642	9 181	8 728	9 996	10 556	11 147
Corporate services	3 620	4 962	6 216	5 644	6 746	9 426	9 954	10 511
<i>Community and public safety</i>	8 963	9 536	13 987	14 847	15 373	12 830	13 548	14 307
Public safety	866	1 419	1 648	2 207	2 207	170	180	190
<i>Economic and environmental services</i>	3 311	4 490	6 125	6 158	7 248	7 901	8 344	8 811
Road transport	2 770	3 849	5 422	5 463	6 604	7 229	7 633	8 061
Road transport	541	642	703	695	645	673	710	750
<i>Trading services</i>	13 094	15 475	19 939	23 014	23 096	24 292	25 652	27 089
Electricity	11 934	14 127	18 109	21 227	21 236	22 545	23 807	25 141
Waste management	1 160	1 348	1 830	1 787	1 860	1 747	1 845	1 948
Total Expenditure - Standard	41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328
Surplus/(Deficit) for the year	20 378	35 071	34 540	13 189	16 632	22 181	29 924	31 098

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for refuse removal.

As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure. As a result refuse tariffs have been increased by 8%, an increment higher than the usual 5, 6%. The aim is to phase out the trading losses and structure a cost reflective tariff.

The municipality is also in the process of critically evaluating the outsourced aspects of the refuse removal service in order to identify cost inefficiencies

4. Electricity losses are also of concern to the municipality and have reached a high of 10% in the current year. Policies dealing with illegal connections will be reviewed in the 2014/15 financial year the municipality foresees taking firm action against perpetrators of illegal connections.
5. Other functions such as council as corporate services that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources such as grants.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote								
Vote 1 - Council	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	2 600	2 000	-	-	-	-	-	-
Vote 3 - Financial Services	21 868	38 233	54 002	41 598	34 788	50 593	53 427	56 419
Vote 4 - Corporate and Community Services	73	82	30	22	23	23	24	25
Vote 5 - Public Safety	910	910	-	-	-	-	-	-
Vote 6 - Public Health	883	883	-	-	-	-	-	-
Vote 7 - Protection Services	2 606	4 355	5 256	5 056	5 756	6 344	6 699	7 074
Vote 8 - Technical Services	14 348	18 527	9 656	13 099	19 481	13 241	13 982	14 765
Vote 9 - Refuse Removal	1 477	1 444	1 079	1 115	1 115	1 209	1 276	1 348
Vote 10 - Electricity	17 542	14 490	28 128	18 445	23 708	22 806	30 585	31 795
Total Revenue by Vote	62 307	80 925	98 150	79 335	84 871	94 215	105 993	111 426
Expenditure by Vote								
Vote 1 - Council	2 492	3 395	3 539	4 364	4 219	4 305	4 546	4 801
Vote 2 - Municipal Manager	1 085	1 298	2 163	2 939	2 829	3 285	3 469	3 663
Vote 3 - Financial Services	9 364	6 698	11 642	9 181	8 728	9 996	10 556	11 147
Vote 4 - Corporate and Community Services	3 620	4 962	6 444	6 293	7 262	10 316	10 893	11 503
Vote 5 - Public Safety	866	1 419	1 648	2 207	2 207	170	180	190
Vote 6 - Public Health	1 040	908	-	-	-	-	-	-
Vote 7 - Protection Services	2 770	3 849	5 422	5 463	6 604	7 229	7 633	8 061
Vote 8 - Technical Services	7 598	7 850	12 813	12 685	13 295	12 442	13 139	13 875
Vote 9 - Refuse Removal	1 160	1 348	1 830	1 787	1 860	1 747	1 845	1 948
Vote 10 - Electricity	11 934	14 127	18 109	21 227	21 236	22 545	23 807	25 141
Total Expenditure by Vote	41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328
Surplus/(Deficit) for the year	20 378	35 071	34 540	13 189	16 632	22 181	29 924	31 098

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and refuse removal trading service.

Table 17 Surplus/ (Deficit) calculations for the trading services

Standard Classification Description	2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Revenue - Standard</u>				
<i>Trading services</i>				
Electricity	23 708	22 806	30 585	31 795
Waste management	1 115	1 209	1 276	1 348
Total Revenue - Standard	24 822	24 014	31 861	33 143
<u>Expenditure - Standard</u>				
<i>Trading services</i>				
Electricity	21 236	22 545	23 807	25 141
Waste management	1 860	1 747	1 845	1 948
Total Expenditure - Standard	23 096	24 292	25 652	27 089
Surplus/(Deficit) for the year	1 727	(278)	6 209	6 054

2. The total anticipated deficit for the current year is R 278 thousand; however this deficit is anticipated to be eliminated by the 2015/16 financial clearly indicating a significant improvement and an elimination of cost inefficiencies.
3. As noted in prior discussions the Deficit is due to the trading loss of providing refuse removal services, however it has been noted that the tariffs associated with this services require restricting and this restricting will be phased out accordingly to avoid the risk of bad debts.
4. It must also be noted that expenditure relating to the provision of these services is anticipated to increase steadily indicating a good control over costs.

Table 18 MBRRTable A4 - Budgeted Financial Performance (revenue and expenditure)

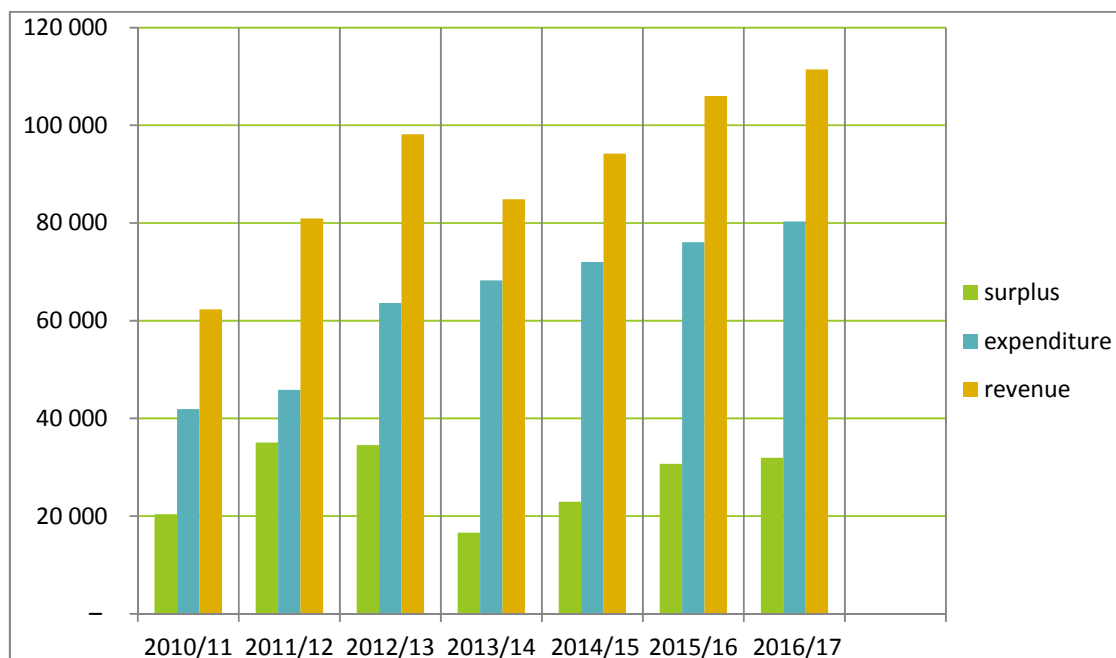
Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source								
Property rates	5 695	6 106	7 085	6 200	7 150	9 274	9 794	10 342
Property rates - penalties & collection charges	495	545	337	450	450	475	502	530
Service charges - electricity revenue	11 023	13 469	16 696	18 322	18 322	19 806	20 915	22 086
Service charges - refuse revenue	977	944	1 079	1 113	1 113	1 209	1 276	1 348
Rental of facilities and equipment	394	457	498	385	275	446	471	497
Interest earned - external investments	2 341	2 763	3 410	1 750	3 800	2 800	2 957	3 122
Fines	19	1 582	2 462	1 902	2 600	3 000	3 168	3 345
Licences and permits	2 587	2 774	2 795	2 832	2 832	3 344	3 531	3 729
Transfers recognised - operational	22 753	27 272	39 697	33 139	21 377	37 944	40 069	42 313
Other revenue	787	2 587	428	755	841	308	325	343
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	47 072	58 498	74 487	66 848	58 761	78 605	83 007	87 655
Expenditure By Type								
Employee related costs	13 916	13 945	15 108	18 556	19 595	24 488	25 860	27 308
Remuneration of councillors	2 346	2 551	2 666	2 879	2 879	2 790	2 947	3 112
Debt impairment	1 795		83		–	1 150	1 214	1 282
Depreciation & asset impairment	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Finance charges				2 500	–			
Bulk purchases	8 863	11 944	14 295	17 456	17 456	18 433	19 465	20 555
Other materials	1 628	1 741	2 192	3 587	3 158	2 506	2 647	2 795
Contracted services	658	766	3 204	5 193	6 782	2 746	2 899	3 062
Transfers and grants	–	–	240	–	–	405	428	452
Other expenditure	9 607	12 352	22 623	12 276	14 669	16 216	17 124	18 083
Loss on disposal of PPE	120				–			
Total Expenditure	41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328
Surplus/(Deficit)	5 143	12 644	10 877	702	(9 478)	7 321	7 730	8 163
Transfers recognised - capital	15 235	22 427	23 663	12 487	26 110	15 610	22 986	23 771
Surplus/(Deficit) after capital transfers & contributions	20 378	35 071	34 540	13 189	16 632	22 931	30 716	31 934
Surplus/(Deficit) after taxation	20 378	35 071	34 540	13 189	16 632	22 931	30 716	31 934
Attributable to minorities					–			
Share of surplus/ (deficit) of associate					–			
Surplus/(Deficit) for the year	20 378	35 071	34 540	13 189	16 632	22 931	30 716	31 934

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R78 605 million in 2014/15 and escalates to R80.3 million by 2016/17. This represents a year-on-year increase of 5.6% over the 2 outer years. We have chosen to be conservative in estimating our revenues over the MTREF. However given sound financial management strategies are put in place we can expect an increase in revenues exceeding 5.6%
2. Revenue to be generated from property rates is R9.2 in the 2014/15 financial year and is anticipated to remain at this amount for the 2014/15 financial year as property rates tariffs have remained unchanged. The aim is encourage a high collection rate and lessen bad debts.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R21 million for the 2014/15 financial year and increasing to R23.4 million by 2016/17. For the 2014/15 financial year services charges amount to 28% of the total revenue base and grows by 5.6% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and refuse tariffs.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Amounting to R37.9 million being 50 % of the total budget.
5. Bulk purchases have significantly increased over the years. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years. As mentioned in prior discussions the increase of R5 million to staff costs can be associated with the absorption of fire fighters as well the provision which has been created should the negotiations between SALGA and SAMWU result in the implementation of increased staff salaries.

The following graph reflects the anticipated relationship between income, expenditure and surplus cash .As well as the audited outcomes of prior years.

Figure 3 Budgeted Financial Performances



It can be noted on the above pie chart that revenue has increased steadily over the audited comparative years since the year 2010/11 however there was a sudden drop in the year 2013/14, this was due to treasury withholding unspent conditional grant funding (INEP). However it is forecasted that revenue will increase steadily over the years of the MTREF.

The graph also depicts how there has not been any abnormal fluctuations in operating expenditure as a result sound financial management strategies and the continuous identification of cost inefficiencies.

Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote								
<i>Multi-year expenditure to be appropriated</i>								
Vote 1 - Council	28	113	1 560	935	935	6	–	20
Vote 2 - Municipal Manager	8	–	8	35	245	20	–	45
Vote 3 - Financial Services	53	175	9	–	–	60	–	–
Vote 4 - Corporate and Community Services	445	6	325	–	655	119	–	–
Vote 5 - Public Safety	–	–	–	–	–	–	–	–
Vote 6 - Public Health	17	–	–	–	–	–	–	–
Vote 7 - Protection Services	22	100	82	918	918	209	500	–
Vote 8 - Technical Services	12 166	22 685	26 136	15 582	24 312	14 153	19 786	16 271
Vote 9 - Refuse Removal	–	–	–	–	–	–	960	–
Vote 10 - Electricity	7 123	1 991	11 385	16 730	27 993	16 536	10 000	10 000
Total Capital Expenditure - Vote	19 864	25 071	39 505	34 200	55 058	31 103	31 246	26 336
Capital Expenditure - Standard								
<i>Governance and administration</i>	535	295	1 902	970	1 835	205	–	65
Executive and council	36	113	1 568	970	1 180	26		65
Budget and treasury office	53	175	9		–	60		
Corporate services	445	6	325		655	119		
<i>Community and public safety</i>	40	6 586	14 793	3 953	8 038	1 483	6 800	2 500
Community and social services	–	6 486	14 712	3 035	7 120	1 483	6 800	2 500
Sport and recreation					–			
Public safety	22	100	82	918	918			
Health	17				–			
<i>Economic and environmental services</i>	12 166	16 199	11 425	12 547	17 192	12 879	13 486	13 771
Road transport	12 166	16 199	11 425	12 547	17 192	12 879	13 486	13 771
<i>Trading services</i>	7 123	1 991	11 385	16 730	27 993	16 536	10 960	10 000
Electricity	7 123	1 991	11 385	16 730	27 993	16 536	10 000	10 000
Waste management					–	–	960	
Total Capital Expenditure - Standard	19 864	25 071	39 505	34 200	55 058	31 103	31 246	26 336
Funded by:								
National Government								
Transfers recognised - capital	15 235	24 769	39 505	12 487	26 110	15 610	22 986	23 771
Internally generated funds	4 629	303		21 713	28 948	15 493	8 260	2 565
Total Capital Funding	19 864	25 071	39 505	34 200	55 058	31 103	31 246	26 336

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R31.1 million has been allocated for capital acquisition in the 2014/15 financial year.

With major projects being road projects to the value of R12.6 million and the budgeted upgrade of the power station of R12 million. Another project will be that of rural electrification to the value of R3 million. The rest of the budget has been allocated to the acquisition of equipment used in service delivery.

3. The capital programme is funded from capital a grants transfers, to the value of R15.6 (MIG & INEP). The power station will be funded from investments to the value of R12 million with the rest of capital assets being funded from surplus cash.

Table 20 MBRR Table A6 -Budgeted Financial Position

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS								
Current assets								
Cash	4 670	16 063	1	14 000	14 000	1 596	3 000	6 000
Call investment deposits	30 040	45 040	67 040	23 040	23 040	20 000	27 205	38 234
Consumer debtors	3 702	1 572	2 526	2 010	2 010	2 500	2 200	2 000
Other debtors	1 789	4 618	5 313	211	211	1 750	1 700	1 600
Inventory	274	252	408	285	285	300	350	320
Total current assets	40 475	67 545	75 287	39 546	39 546	26 146	34 455	48 154
Non current assets								
Investment property	2 590	2 548	2 490	2 500	2 500	2 490	3 000	3 200
Property, plant and equipment	73 304	89 358	117 300	175 546	175 546	180 209	210 909	224 209
Biological	5 136	5 136	5 136	5 136	5 136	5 136	5 136	5 136
Intangible	53	68	41	48	48	191	200	250
Other non-current assets			1		–			
Total non current assets	81 082	97 110	124 968	183 230	183 230	195 220	219 245	232 795
TOTAL ASSETS	121 558	164 655	200 255	222 777	222 777	221 367	253 700	280 949
LIABILITIES								
Current liabilities								
Bank overdraft			1 058		–	–		
Consumer deposits	490	799	1 002	500	500	1 082	1 182	1 302
Trade and other payables	5 976	17 403	16 025	26 625	26 625	4 500	2 000	1 800
Provisions	413	386	379	300	300	400	389	390
Total current liabilities	6 879	18 588	18 464	27 425	27 425	5 982	3 571	3 492
Non current liabilities								
Provisions	1 975	3 501	5 761	2 544	2 544	3 304	3 536	3 783
Total non current liabilities	1 975	3 501	5 761	2 544	2 544	3 304	3 536	3 783
TOTAL LIABILITIES	8 854	22 089	24 225	29 969	29 969	9 286	7 107	7 275
NET ASSETS	112 704	142 565	176 030	192 807	192 807	212 080	246 593	273 674
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	112 704	142 565	176 030	192 807	192 807	212 080	246 593	273 674
TOTAL COMMUNITY WEALTH/EQUITY	112 704	142 565	176 030	192 807	192 807	212 080	246 593	273 674

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. This table is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Non-current Provisions;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRRTable A7 - Budgeted Cash Flow Statement

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	24 130	28 501	31 380	37 553	37 553	35 075	38 823	42 768
Government - operating	15 739	21 470	39 697	33 139	21 209	37 944	42 246	42 561
Government - capital	13 164	27 909	23 663	12 487	12 487	15 610	22 986	23 771
Interest	2 341	2 763	3 410	23 283	2 753	2 800	2 957	2 640
Dividends					-			
Payments								
Suppliers and employees	(39 878)	(31 680)	(63 108)	(63 646)	(63 646)	(60 152)	(63 520)	(67 077)
NET CASH FROM/(USED) OPERATING ACTIVITIES	15 496	48 962	35 043	42 817	10 357	31 277	43 491	44 663
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	279	2 193						
Capital assets	(19 864)	(25 071)	(29 308)	(34 200)	(55 058)	(31 103)	(22 246)	(17 336)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(19 585)	(22 879)	(29 308)	(34 200)	(55 058)	(31 103)	(22 246)	(17 336)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	(52)	309	203	60	60	80	100	120
NET CASH FROM/(USED) FINANCING ACTIVITIES	(52)	309	203	60	60	80	100	120
NET INCREASE/ (DECREASE) IN CASH HELD	(4 141)	26 393	5 938	8 677	(44 641)	254	21 345	27 447
Cash/cash equivalents at the year begin:	38 851	34 710	61 103	63 404	65 983	21 342	21 596	42 941
Cash/cash equivalents at the year end:	34 710	61 103	67 041	72 081	21 342	21 596	42 941	70 389

Table 22 MBRRTable A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available										
Cash/cash equivalents at the year beg	34 710	61 103	67 041	72 081	21 342	10 357	67 041	21 596	43 999	71 446
Other current investments > 90 days	-	0	(1 058)	(35 041)	15 698	(10 357)	(67 041)	0	(13 794)	(27 212)
- Long-term receivables	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	34 710	61 103	65 983	37 040	37 040	-	-	21 596	30 205	44 234
Application of cash and investments										
Trade and other creditors	4 267	14 850	13 526	23 125	23 125	-	-	2 000	-	-
Other working capital requirements	(4 320)	(3 644)	(5 340)	890	1 016	-	-	(1 437)	(1 787)	(1 847)
Other provisions										
Total Application of cash and investments:	(53)	11 205	8 187	24 015	24 141	-	-	563	(1 787)	(1 847)
Surplus(shortfall)	34 763	49 897	57 796	13 025	12 899	-	-	21 033	31 992	46 081

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels are anticipated to decrease significantly in the current financial year 2013/14 owing to an increased strain on short term investments. This is due to the funds that were withheld by treasury in the current year of more than R12 million as well as the anticipated investment in the upgrade of the power station of R15 million. These factors have impacted negatively on the cash anticipated to be held at the beginning of the next financial year 2014/15.
4. It is anticipated that at least 90% of the billed revenue will be collected in the 2014/15 financial, the municipality has chosen to be conservative in estimating its forecasted revenue inflows, in order to achieve a realistic budget, as emphasised by treasury. In addition the Municipality will undertake an extensive debt collection drive in the 2014/15 financial resulting in cash receipts on arrear debtors which will improve the cash position
5. The anticipated net increase in cash held is R254 million which is more than a 100 % improvement from the current year. However the increase in cash held has been minimised by the further R12 million from short term investments that will be utilised on upgrading the power station.
6. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals R21.3 million at the end of the 2014/15 financial year and increase to R46 million by the end of 2016/17.
8. Overall the municipality shows a sustainable cash position

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of

- non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
 5. From the table it can be seen that for the period 2010/11 to 2012/13 the surplus increased from R34.4 million to R57.7 million and the dropped drastically in 2013/14 from reasons already discussed under cash flows. Overall in the current financial there will a great application of investments. There will be an increase in the surplus over the MTREF. With the surplus of R21 million anticipated at the end of 2014/15 increasing to R46 million at by 2016/17.
 6. Other working capital requirements are realistic considering the audited outcomes of prior years. Measures have been put in place to ensure a 100% (**compliant**) utilisation of all conditional grants by end of the relevant financial year including capital grants which have proven to be problematic in the past.
 7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
 8. As can be seen the budget has been modelled to progressively move from a surplus of R21 million 2014/15 to a surplus of R46 million by 2016/17.
 9. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF is funded as there is a significant surplus.

Table 23 MBRR Table A9 - Asset Management

Description	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
CAPITAL EXPENDITURE						
Total New Assets	39 505	34 200	55 058	31 103	31 246	26 336
Infrastructure - Road transport	18 756	12 487	16 522	12 610	12 986	13 771
Infrastructure - Electricity	11 152	15 000	26 263	16 536	10 000	10 000
Infrastructure - Water	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—
Infrastructure - Other	104	—	885	—	960	—
Infrastructure	30 012	27 487	43 670	29 146	23 946	23 771
Community	7 466	—	2 175	100	—	—
Heritage assets	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—
Other assets	2 027	6 713	9 213	1 857	7 300	2 565
Agricultural Assets	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—
Total Capital Expenditure						
Infrastructure - Road transport	18 756	12 487	16 522	12 610	12 986	13 771
Infrastructure - Electricity	11 152	15 000	26 263	16 536	10 000	10 000
Infrastructure - Water	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—
Infrastructure - Other	104	—	885	—	960	—
Infrastructure	30 012	27 487	43 670	29 146	23 946	23 771
Community	7 466	—	2 175	100	—	—
Heritage assets	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—
Other assets	2 027	6 713	9 213	1 857	7 300	2 565
Agricultural Assets	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	39 505	34 200	55 058	31 103	31 246	26 336
ASSET REGISTER SUMMARY - PPE (WDV)						
Infrastructure - Road transport		12 487	39 013	51 623	64 623	78 623
Infrastructure - Electricity		15 000	32 841	44 841	54 841	64 841
Infrastructure - Water		—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—
Infrastructure - Other		—	99 130	90 940	91 445	80 745
Infrastructure	—	27 487	170 983	187 403	210 909	224 209
Community		—	0	—	—	—
Heritage assets		—	—	—	—	—
Investment properties	2 490	2 500	2 500	2 490	3 000	3 200
Other assets		22 133	4 563	—	—	—
Agricultural Assets	—	—	—	—	—	—
Biological assets	5 136	5 136	5 136	5 136	5 136	5 136
Intangibles	41	48	48	191	200	250
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	7 667	57 304	183 230	195 220	219 245	232 795
EXPENDITURE OTHER ITEMS						
Depreciation & asset impairment	3 199	3 700	3 700	3 300	3 485	3 680
Repairs and Maintenance by Asset Class	2 192	2 714	3 158	2 506	2 647	2 795
Infrastructure - Road transport	330	614	423	465	491	519
Infrastructure - Electricity	—	—	—	—	—	—
Infrastructure - Water	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—
Infrastructure - Other	380	602	400	400	422	446
Infrastructure	710	1 215	822	865	914	965
Community	248	—	—	50	53	56
Heritage assets	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—
Other assets	1 234	1 499	2 336	1 591	1 680	1 774
TOTAL EXPENDITURE OTHER ITEMS	5 391	6 414	6 858	5 806	6 131	6 475

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The Municipality has committed to the renewal and repairs and maintenance of existing capital assets. The cost saving that will be gained from maintaining existing assets will be employed in future capital projects

PART 2 – SUPPORTING DOCUMENTATION

2.1. OVER VIEW OF THE BUDGETPROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2013. Key dates applicable to the process were:

- **August 2013**
 - Budget / IDP Steering Committee to discuss process plan
 - Prepared draft Process Plan
- **August , September 2013**
 - Council to consider & adopt Process Plan
 - Advertisement for public comment and nomination
 - Representative Forum meeting to present Process Plan
 - Public meetings to initiate project review process and report on IDP implementation and progress.
 - Presentation to Regional Traditional Council to inform Amakhosi about the IDP Review process.
 - Deadline for receipt of potential project from Ward Committees, Councillors and Representative Forum.
 - Status Quo Summary from sector plans (backlogs projects status etc.)

- **October 2013**
 - Steering Committee Meeting to generate and consider new projects.
 - Liaison District Municipality, joint IDP road show
 - Steering Committee meeting for draft review report generates and consider new projects.
- **November 2013**
 - Meeting with IDP manager
 - Amakhosi Public participation meetings.
 - 25 November Head of departments required to submit detailed departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines; advised to adhere to strict 5.6% increase.
- **December 2013**
 - Public Advertisement of IDP Review
 - Review & amend draft report to accommodate comments
- **January 2014**
 - 23rd January - Council to adopt Adjustments Budget where necessary as well as adjustments to SDBIP
- **February 2014**
 - Management Meeting to discuss Budget. Meetings with Exco members & the Speaker to be held during February 2014 and March 2014.
- **March 2014**
 - Final Steering Committee Meeting before tabling of budget.
 - 28th March 2014 - Mayor to table the Draft Budget, revised IDP and Draft SDBIP.
- **April 2014**
 - Mayor and Council required to manage the Public Participation Programme, call for public submissions and convene public meetings: 14-21 April
- **May 2014**
 - 29th May - Mayor tables the final Budget,
 - IDP and SDBIP for Council to approve by 29th May
- **June 2014**
 - Accounting Officer to submit approved documentation to National and Provincial Treasuries and relevant organs of state and update performance agreements of senior staff accordingly by 10th June 2014

There were no deviations from the schedule of key deadlines adopted by council on the 28 of August 2013

Public participation/ consultation road shows were held as anticipated between November and December:

- KwaMagwaza 5 November 2013
- Ekuthuleni 2 November 2013
- KwaSanguye Tribal Court 4 December 2013
- Hlabathini 28 November 2013
- Siyavuna Hall 4 December 2013
- Thubalethu Hall 26 November 2013

2.1.2 IDP and Service Delivery and Budget Implementation Plan

Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. Inflation, Eskom increases, household debt)
- Performance trends

- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70, 71 and 72 has been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The draft 2014/15 MTREF as tabled before Council on 26 March 2014 for community consultation was published on the municipality's website and hard copies were made available at the municipal offices, and municipal library.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during November to December 2013 (dates of consultation meetings listed above). Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2014/15 MTREF.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning

provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP goals and strategies for the 2014/15 MTREF and t

Table 24 IDP Goals Objectives and Strategies

		BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT		
DEVELOPMENT GOAL	OUTCOME 9	OBJECTIVE	STRATEGY	RESPONSIBLE

PROVIDING A HIGH LEVEL OF AFFORDABLE ESSENTIAL BASIC SERVICES	IMPROVED ACCESS TO BASIC SERVICES	1.To facilitate the provision of free basic services to indigent households	1.1.To fast track the provision of basic level of electricity to households	CFO
		2.To expand the provision of municipal services to all households in Mthonjaneni in terms of national standards	2.1.To maintain roads as per maintenance budget within the financial year	DTS
		3.To promote access to community facilities	3.1.To provide, manage and maintain Council facilities i.e. halls, waste landfill, cemetery, creche, sport & recreational	DTS
			3.2.To deliver effective, efficient and sustainable library service in accordance with the needs of the community	DCS
		4.To reduce infrastructural backlogs	4.1.To construct & maintain local municipal access roads	DTS
			4.2.To facilitate the provision of infrastructural services such as water, sanitation, housing & electricity	DTS
		5. To provide efficient and effective building control services.	5.1.To maintain all Council buildings within budget	DTS
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT				
PROVIDING A SAFE AND SECURE ENVIRONMENT	IMPLEMENT A DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING PLANNING AND SUPPORT	6.To create a viable and sustainable work environment	6.1To develop, manage and implement Human Resource Strategies	DCS
			6.2.To implement the Employment Equity Plan of the municipality	DCS
			6.3.To manage Council's Human Resources and to compile and adopt appropriate policies	DCS
			6.4.To develop, review and implement municipal Organogram (fill key vacant posts)	DCS
			6.5 To implement the Employment Equity Plan of the municipality	DCS
FINANCIAL VIABILITY & FINANCIAL MANAGEMENT				
PROVIDING SERVICE EXCELLENCE	IMPROVED MUNICIPAL FINANCIAL AND	7.To be financially viable by increasing revenue and reducing	7.1.To manage finances in line with the required legislation(MFMA)	CFO

	ADMINISTRATIVE CAPABILITY	debts		
			7.2.To develop and implement municipal Financial Strategies	CFO
			7.3.To ensure regular update of indigent register	CFO
		7 (a) To ensure that transparency is attained	7(a1). To ensure regular reporting on SCM and Municipal Assets	CFO
		GOOD GOVERNANCE & COMMUNITY PARTICIPATION		
GOOD GOVERNANCE	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	8.Promote sound external and internal communication	8.1. The preparation of an IDP within the prescribed legal guidelines.	MM
			8.2.To implement municipal communication strategy	MM
			8.3.To facilitate Intergovernmental Relations (IGR)	MM
			8.4.To ensure Gender, Disabled & Senior Citizen structures are effective	DCS
			8.5.To ensure effective Municipal structures i.e. Council, EXCO & Ward Committees	MM
		9.To promote access to information and accountability	9.1.To ensure regular update of the municipal website	MM
			9.2.To ensure annual report is in place	MM
			9.3. To facilitate effective community participation as promulgated in terms of chapter 4 of the MSA no 27 of 2000.	MM
ENCOURAGING COMMUNITY PARTICIPATION AND IN SERVICE DELIVERY				
	LOCAL ECONOMIC DEVELOPMENT			
PROVIDING OPPORTUNITIES FOR ALL TO ASPIRE TO A BETTER FUTURE	IMPLEMENTED COMMUNITY WORK PROGRAMME	10. Promote sound external and internal communication	10.1	DCS

	AND COOPERATIVES SUPPORTED			
SUPPORTING THE POOR AND VULNERABLE GROUPS		10. (a) To promote LED in the Municipality and create economic opportunities	10.1(a).To implement municipal LED strategy	DCS
			10.2.(b) To facilitate poverty alleviation programmes.	DCS
			10.3. (c)To implement strategies in line with the development of local SMME's	DCS
		SPATIAL AND ENVIRONMENT		
ENVIRONMENTALLY FRIENDLY DEVELOPMENTS		To ensure environmental sustainability and proper land use management	To ensure SDF and LUMS are in place	DCS

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide areconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Rates	Collect	5 695	6 106	7 085	6 200	7 150	9 274	9 794	10 342
Grants	Collect	37 105	49 698	63 361	45 626	47 488	37 944	40 069	42 313
Services	Collect	12 000	14 413	17 775	19 435	19 435	21 014	22 191	23 434
Licenses	Collect	2 587	2 774	2 795	4 734	2 832	3 344	3 531	3 729
Interest	Collect	2 341	2 763	3 410	1 750	3 800	2 800	2 957	3 122
Other	Collect	2 579	5 171	3 725	1 590	4 166	19 839	27 451	28 486
Allocations to other priorities									
Gains on disposal of PPE		62 307	80 925	98 150	79 335	84 871	94 215	105 993	111 426

Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand									
Employee Related Cost	Spend 95%	13 916	13 945	15 018	18 556	19 595	24 488	25 860	27 308
Remuneration of councillors	Spend 95%	2 346	2 551	2 666	2 879	2 879	2 790	2 947	3 112
Debt Impairment	Spend 95%	1 795	–	83	–	–	1 150	1 214	1 282
Depreciation & asset impairment	Spend 95%	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Finance charges	Spend 95%				2 500	–			
Bulk Purchases	Spend 95%	8 863	11 944	14 295	17 456	17 456	18 433	19 465	20 555
Other materials	Spend 95%	1 628	1 741	2 192	3 587	3 158	2 506	2 647	2 795
Contracted services	Spend 95%	658	766	3 204	5 193	6 782	2 746	2 899	3 062
Transfers and grants	Spend 95%	9 606	12 354	22 953			455	480	507
Other expenditure loss on disposal		120			12 275	14 669	16 166	17 071	18 027
Allocations to other priorities									
Loss on disposal of PPE		41 929	45 854	63 610	66 146	68 239	72 035	76 069	80 328

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

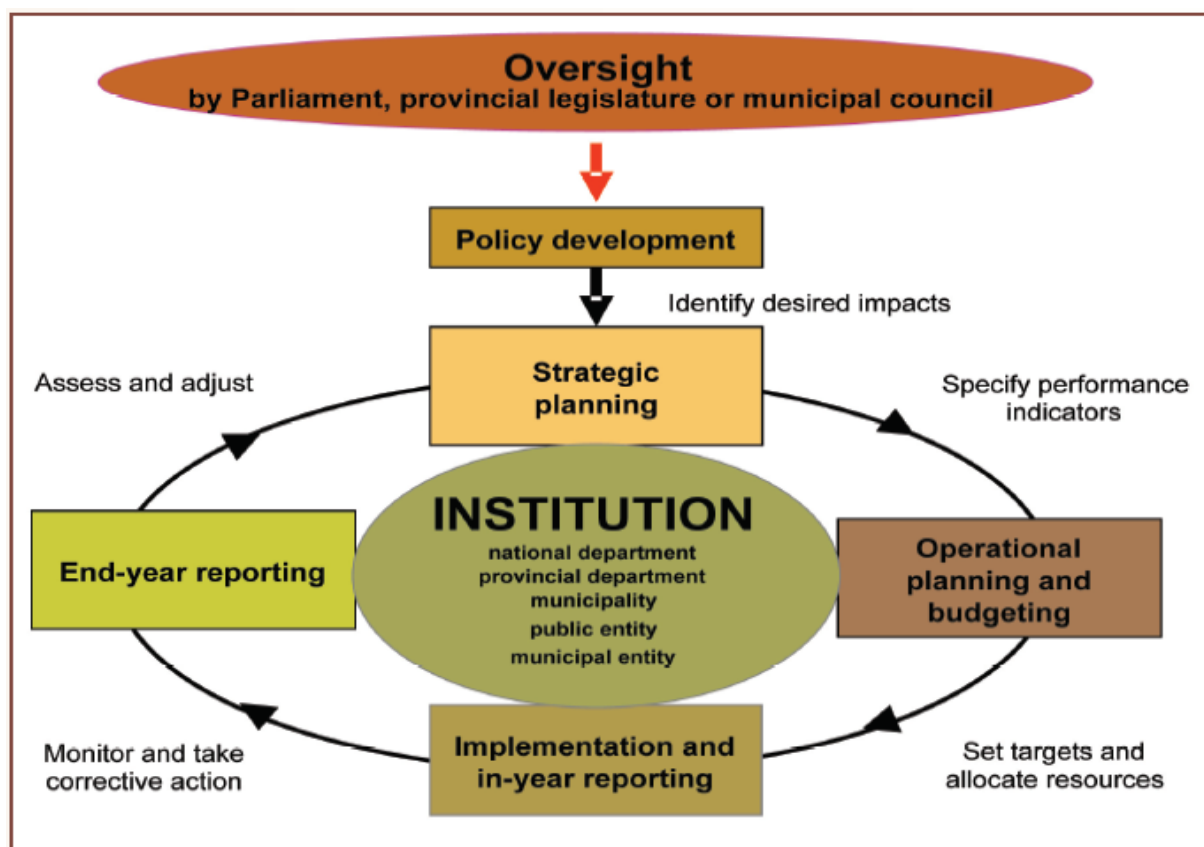


Figure 4 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	5.9	3.6	4.1	1.4	1.4	–	–	4.5	9.6	13.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day s/current liabilities	5.9	3.6	4.1	1.4	1.4	–	–	4.5	9.6	13.8
Liquidity Ratio	Monetary Assets/Current Liabilities	5.0	3.3	3.6	1.4	1.4	–	–	3.8	8.5	12.7
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		109.8%	100.1%	100.0%	117.5%	111.8%	0.0%	0.0%	92.6%	97.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			109.8%	100.1%	100.0%	117.5%	111.8%	0.0%	0.0%	92.6%	97.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	10.6%	10.5%	3.3%	3.8%	0.0%	0.0%	5.4%	4.7%	4.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		4.9%	4.2%	3.7%	4.9%	15.6%	0.0%	0.0%	11.0%	4.5%	2.5%
<u>Other Indicators</u>											
	Total Volume Losses (kW)										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	Total Volume Losses (kV)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.6%	23.8%	20.3%	27.8%	33.3%	0.0%	0.0%	31.2%	31.2%	31.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.6%	28.2%	0.0%	32.1%	38.4%	0.0%		34.7%	34.7%	34.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	3.0%	2.9%	4.1%	5.4%	0.0%		3.2%	3.2%	3.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.4%	4.4%	4.3%	9.3%	6.3%	0.0%	0.0%	4.2%	4.2%	4.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8.8	9.2	1.5	12.2	12.2	12.2	–	13.8	16.3	17.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.5%	28.8%	30.5%	8.4%	8.1%	0.0%	0.0%	13.6%	11.8%	10.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13.0	21.0	17.7	16.3	5.0	–	–	4.7	8.7	13.4

2.3.1 Performance indicators and benchmarks

2.3.1.1 *Borrowing Management*

The municipality currently has no borrowings and no loans are anticipated for the 2014/15 financial year.

2.3.1.2 *Liquidity*

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 4.5 in the 2014/15 financial year and 9.6 and 13.8 for the two outer years of the MTREF respectively. Going forward it will be necessary to review the current ratio for the outer two years

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year a ratio of 3.8 is anticipated. And will be maintained accordingly.

2.3.1.3 *Revenue Management*

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

The municipality will also be assisted by **KPMG** with revenue enhancement strategies, on behalf of COGTA.

2.3.1.4 *Creditors Management*

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure a 100 % compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.5 *Other Indicators*

Employee costs as a percentage of operating expenditure is 31.2% which is well within the prescribed threshold.

Repairs and maintenance as percentage of operating expenditure is only 3.2 % however due to the replacement of capital assets in the current year 2013/14 a lesser amount has been budgeted for repairs and maintenance. In real terms, the amount budgeted for the

two outer years will be reviewed, as maintaining the municipalities' asset base is a priority.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2014/15 financial year 679 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 50kWh of electricity free waste removal equivalent once weeks, as well as a discount on their property rates. Indigents also qualify for pauper burials.

Further details with regards the terms and conditions to qualify for these benefits are contained in indigent policy.

2.4 OVER VIEW OF BUDGET RELATED POLICIES

1.11.1. Budget Policy

1.11.2. Rates Policy

1.11.3. Debt write- off Policy

1.11.4. Credit Control and Debt Collection Policy

1.11.5. Tariffs Policy

1.11.6. Indigent support Policy

1.11.7. fixed Asset Policy

1.11.8. Banking and Investment Policy

1.11.9. SCM Policy

2.4.1 Budget Policy

The objective of this policy is to set out the budgeting principles which the Municipality will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.

2.4.2 Rates Policy

The principles of the policy are to ensure that:

- the power of the municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital or labour in terms of Section 229 of the Constitution of the Republic of South Africa;
- all ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
 - profits generated on trading and economic services; and
 - the amounts required to finance exemptions, rebates and reductions of rates as approved by council from time to time;
 - property rates will not be used to subsidize trading and economic services;
- the rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- This Policy was developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

2.4.3 Debt Write Off Policy

- The purpose of this policy is to provide a framework for regulating the writing – off of irrecoverable debts and the consequent further enhancement of the municipality's debt management strategy.
- A debt may only be written – off by resolution of the council.
- Unless specific provision is made elsewhere in this policy, the Council may only write-off a debt after consideration of a report and recommendations from the Accounting Officer, containing at least the information prescribed by this policy certifying that the processes provided for in the municipality's Customer Care Credit Control and Debt Collection Policy have been adhered to and that in his / her opinion there is no reasonable prospect of recovery of the debt and / or that further efforts to do so would be uneconomical.
- A debt may be only be written - off Council against the municipality's provision for doubtful debts, being a funded reserve established pursuant to the municipality's Funding and Reserves Policy.
- The writing-off of a debt by the council is an accounting procedure and does not constitute abandonment by the municipality of its claim against a debtor.
- Copies of the reports to the council in regard to all debts written-off are to be retained in the records of the municipality against the name of the debtor.
- In terms of the Indigent Policy, the arrears on an account are written-off upon registration as an indigent account and the related report is submitted to Council.

2.4.4 Credit Control and Debt Collection Policy

- The Council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the Council's approved indigent management policy.

1.11.5. Tariffs Policy

- A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.
- The rates and tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74.
- In setting its annual tariffs the Council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.
- Service tariffs imposed by the local municipality shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time)
- The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

1.11.6 Indigent Support Policy

- Indigents, whose level of income is less than the amount determined by Council as qualifying for indigent support, may apply in writing to the Council for such support.
- Owners or occupiers who apply for such support shall be required to apply annually, in writing, for such support on the prescribed form.
- Only registered residential consumers of services delivered by Municipality qualify for support.
- No consumer conducting a business on a residential property, with or without special consent from the Council, shall qualify for assistance.
- Support in terms of this policy only be provided to owners or residents who occupy the premises.
- Applications for support must be made during March of each year and will apply from the first of the month following the month application and will continue for 12 months.
- Should further support be required a new application must be lodged.

1.11.7. Fixed Asset Policy

- As accounting officer of the municipality, the municipal manager shall be the principal custodian of all the municipality's fixed assets, and shall be responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to.
- The chief financial officer shall be in control of the fixed asset register of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained.
- No amendments, deletions or additions to the fixed asset register shall be made other than by the chief financial officer or by an official acting under the written instruction of the chief financial officer.

1.11.8. Banking and investment Policy

- The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- The Council of the municipality is the trustee of the public revenues which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.
- The Council therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.
- The investment policy of the municipality is therefore aimed at gaining the highest possible return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

1.11.9. SCM Policy

The municipality may not act otherwise than in accordance with this supply chain management policy when –

- Procuring goods or services;
- Disposing of goods no longer needed;
- Selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- Selecting external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

All policies highlighted above have been attached to the budget for further reference.

2.5 OVER VIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

The 201 Budget review notes that while 20 years of democracy have brought enduring achievements for South Africa there is room for complacency to overcome apartheid's spatial legacy the provision of housing and social infrastructure needs to improved and planning frame works across government strengthened. the budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for economic growth is supported by the implementation of the national development plan (NDP). Although South Africa's economy has expanded over the past years the rate of growth has steadily declined from 2.5% of GDP in 2012 to 1.8% in 2013 it is however anticipated to increase to 2.7% in 2014 and gradually increase to 3.5% by 2016.

The trend reflects a confluence of unfavourable global and domestic circumstances which impact all spheres of government. Aware of these risks government is maintaining its expenditure ceiling and no additional funds will be added to total expenditure announced in last year's budget. Inflation and nominal spending ceiling will put real budgets under pressure over the medium term requiring all spheres of government to work efficiently.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets
- The general inflationary outlook and the impact on Municipality's residents and businesses
- The impact of municipal cost drivers
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 34 % of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.5.3 Interest rates for investment of funds

In accordance with the MFMA and the municipal policy Mthonjaneni Municipality engages in a number of investment arrangements to maximise its interest income. However, for simplicity the 2014/15 MTREF is based on the assumption that all investment are made using fixed interest rates for all investments that the municipality has. As noted under the discussion of anticipated capital expenditure a significant amount will be taken from the municipality's' investments to fund the capital budget in the 2014/15 financial year. This has been noted and taken into account when forecasting interest income for the 2014/15 MTREF.

2.5.4 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.5 Salary increases

Circular 70 from national treasury recommends: "salary and wage increases of CPI plus 1%, as indicated in the Salary and Wage Collective Agreement". Salaries, wages and allowances of all employees across the board will be increased by 6.79% in accordance with the multiyear SALGBC wage agreement with effect from 01 July 2014.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs
- Enhancing education and skill development
- Improving Health services
- Rural development and agriculture and
- Fighting poverty

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 28 Breakdown of the operating revenue over the medium-term

Description R thousand	2013/14	2014/15 Medium Term Revenue & Expenditure Framework						
	Adjusted Budget		Budget Year 2014/15		Budget Year +1 2015/16		Budget Year +2 2016/17	
Revenue By Source								
Property rates	7 150	12.17%	9 274	11.80%	9 794	11.80%	10 342	11.80%
Property rates - penalties & collection charges	450	0.77%	475	0.60%	502	0.60%	530	0.60%
Service charges - electricity revenue	18 322	31.18%	19 806	25.20%	20 915	25.20%	22 086	25.20%
Service charges - refuse revenue	1 113	1.89%	1 209	1.54%	1 276	1.54%	1 348	1.54%
Rental of facilities and equipment	275	0.47%	446	0.57%	471	0.57%	497	0.57%
Interest earned - external investments	3 800	6.47%	2 800	3.56%	2 957	3.56%	3 122	3.56%
Fines	2 600	4.42%	3 000	3.82%	3 168	3.82%	3 345	3.82%
Licences and permits	2 832	4.82%	3 344	4.25%	3 531	4.25%	3 729	4.25%
Transfers recognised - operational	21 377	36.38%	37 944	48.27%	40 069	48.27%	42 313	48.27%
Other revenue	841	1.43%	308	0.39%	325	0.39%	343	0.39%
Total Revenue (excluding capital transfers and	58 761	100.00%	78 605	100.00%	83 007	100.00%	87 655	100.00%

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.

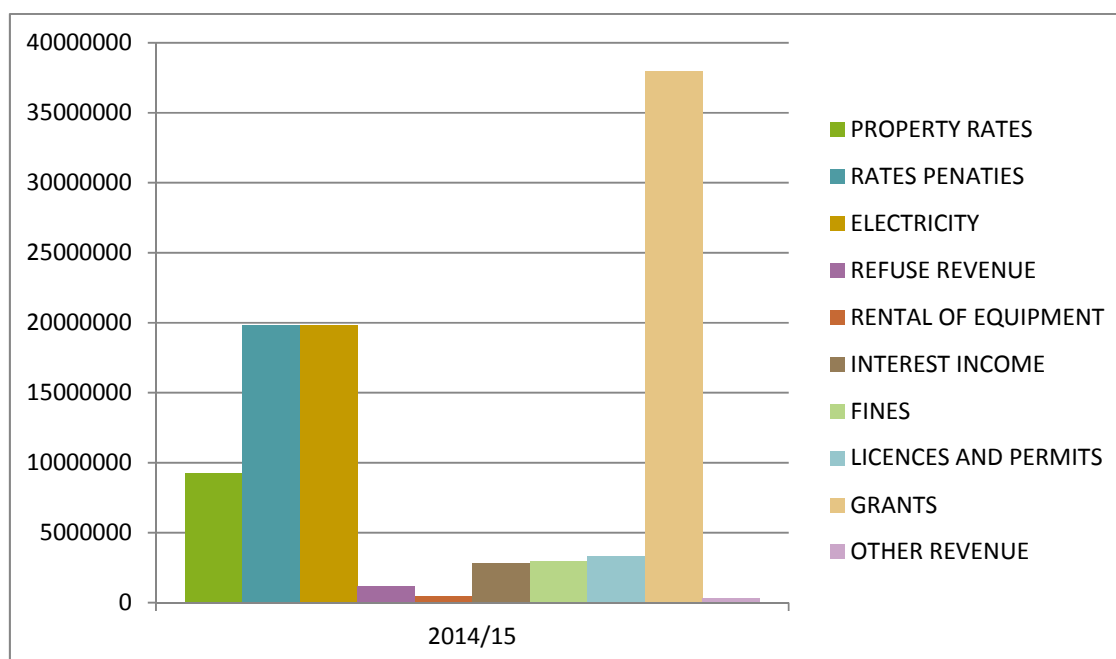


Figure 5 Breakdown of operating revenue over the 2014/15 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of services such as electricity, and solid waste removal as well as Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of a 95% annual collection rate for consumer revenue
- National Treasury guidelines
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval
- Achievement of full cost recovery of specific user charges
- Determining tariff escalation rate by establishing/calculating revenue requirements
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 as noted under the operating expenditure framework is 7.39 % for electricity and 8 % for the refuse removal service W. The property rates tariff has remained unchanged.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress has been made in dealing with these objections. As the levying of property rates is considered a strategic revenue source a further supplementary valuation process will be undertaken in the 2014/15 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Revenue relating to electricity and refuse removal will total R19 and R1.2 million respectively for the 2014/15 financial year with electricity increasing to R22 million by 2016/17. These constitute 26.7 % of the total budget.

Operational grants and subsidies amount to R37.9 million in the 2014/15 financial year being 48.2% of the total budgeted revenue. It needs to be noted that in real terms the grants received from national government are growing steadily over the MTREF.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of between R2.8 million to R3.1 million for the respective three financial years of the 2014/15 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 29 MBRR SA15 – Detail Investment Information

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14					2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17			
R thousand											
<u>Parent municipality</u>											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank	30 040	45 040	67 040	23 040	23 040	20 000	27 205	38 234			
Municipality sub-total	30 040	45 040	67 040	23 040	23 040	20 000	27 205	38 234			

Table 30 MBRR SA15 – Detail Investment particulars by maturity

The table reflects a list of investments currently held by the municipality

Investments by maturity			Yield for the month 1	
Name of institution & investment ID	Type of Investment	Expiry date of investment	(%)	Market value at beginning of the month
R thousands				
<u>Municipality</u>				
INVESTEC	FIXED	10/06/2014	5,9%	9 000
NEDBANK	FIXED	12/01/2015	6,3%	25 000
NEDBANK	FIXED	02/05/2014	5,4%	9 000
INVESTEC	CALL	-		6 000
FNB	FIXED	12/11/2013	4,8%	1 540
FNB	FIXED	GUARANTEE	2,2%	500
Municipality sub-total				51 040

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

However 2013/14 has proven to be a particularly challenging year due to the funds that were with-held by treasury and this has resulted in a strain on investments, as the electricity projects continued regardless of the funds withheld by treasury and also the short fall in the equitable had to be funded from investments.

2.6.2 Capital revenue

The capital expenditure budget will be funded from the Municipal infrastructure grant to the value of R12.6 million. The amount for upgrading the power station being R12 million will be funded from internal investments.

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 31 MBRR SA19 - Expenditure on transfers and grant programmes

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:								
<u>Operating expenditure of Transfers and Grants</u>								
Operating Transfers and Grants	21 177	24 481	–	31 270	20 575	36 783	41 577	41 891
National Government:	18 193	22 096		27 730	17 035	31 674	38 660	38 773
Local Government Equitable Share	1 753	1 465		1 650	1 650	1 800	1 950	2 100
Finance Management	1 232	920		890	890	934	967	1 018
Municipal Systems Improvement				1 000	1 000	2 375		
EPWP Incentive								
Other transfers/grants [insert description]	1 401	1 263	–	–	–	661	669	670
Provincial Government:	883	882						
Health subsidy								
MAP, Library, Economic Development/ Tourism	518	380				661	669	670
MAP, Library	175	372	–	–	–	–	–	–
Uthungulu	175	372						
	–	–	–	–	–	500	–	–
cogta						500		
Total operating expenditure of Transfers and Grants:	22 753	26 116	–	31 270	20 575	37 944	42 246	42 561
<u>Capital expenditure of Transfers and Grants</u>								
Capital Transfers and Grants	8 664	21 561	19 055	12 487	12 487	15 610	22 986	23 771
National Government:	8 664	10 761	13 055	12 487	12 487	12 610	12 986	13 771
Municipal Infrastructure Grant (MIG)								
		10 800	6 000			3 000	10 000	10 000
Other capital transfers/grants [insert desc]	–	14 000	1 000	–	–	–	–	–
Provincial Government:		14 000	1 000					
Sports and Recreation, Small Town, Market Stalls, E	–	50	–	–	265	–	–	–
District Municipality:		50			265			
	–	–	–	–	–	–	–	–
Other grant providers:								
Total capital expenditure of Transfers and Grants	8 664	35 611	20 055	12 487	12 752	15 610	22 986	23 771
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	31 417	61 727	20 055	43 757	33 327	53 554	65 232	66 332

2.8 COUNCILLOR AND EMPLOYEE BENEFITS

Table 6MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	G	H	I
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	1 431	1 626		2 057	2 057	1 907	2 014	2 127
Pension and UIF Contributions	198	238		225	225	283	299	316
Medical Aid Contributions	29			15	32	38	41	43
Motor Vehicle Allowance	564	544		420	420	292	309	326
Cellphone Allowance	124	142		136	136	230	242	256
Housing Allowances					-			
Other benefits and allowances				24	81	40	42	44
Sub Total - Councillors	2 346	2 550	-	2 879	2 953	2 790	2 947	3 112
% increase		8.7%	(100.0%)	-	2.6%	-	5.6%	5.6%
Senior Managers of the Municipality								
Basic Salaries and Wages	1 569	1 662		3 384	3 384	3 147	3 323	3 509
Pension and UIF Contributions					-	31	33	35
Medical Aid Contributions					-			
Overtime					-			
Performance Bonus	238	259		474	(0)	436	461	486
Motor Vehicle Allowance	278	278			-			
Cellphone Allowance				78	78	24	25	27
Housing Allowances					-			
Other benefits and allowances				-	-	4	4	4
Payments in lieu of leave					-			
Long service awards					-			
Post-retirement benefit obligations					-			
Sub Total - Senior Managers of Municipality	2 085	2 199	-	3 935	3 461	3 642	3 846	4 062
% increase		5.5%	(100.0%)	-	(12.0%)	-	5.6%	5.6%
Other Municipal Staff								
Basic Salaries and Wages	8 539	9 300		10 117	10 802	16 312	17 225	18 190
Pension and UIF Contributions	1 029	1 271		1 507	1 532	2 125	2 244	2 370
Medical Aid Contributions	440	750		676	693	871	919	971
Overtime				160	160			
Performance Bonus					-			
Motor Vehicle Allowance				628	628	660	697	736
Cellphone Allowance					-			
Housing Allowances					-			
Other benefits and allowances	140	225		1 182	2 019	528	557	589
Payments in lieu of leave					-			
Long service awards				250	200	250	264	279
Post-retirement benefit obligations	751	200		100	100	100	106	112
Sub Total - Other Municipal Staff	10 899	11 746	-	14 621	16 134	20 846	22 013	23 246
% increase		7.8%	(100.0%)	-	10.3%	-	5.6%	5.6%
Total Parent Municipality	15 330	16 495	-	21 435	22 548	27 278	28 806	30 419
		7.6%	(100.0%)	-	5.2%	-	5.6%	5.6%
TOTAL SALARY, ALLOWANCES & BENEFITS	15 330	16 495	-	21 435	22 548	27 278	28 806	30 419
% increase		7.6%	(100.0%)	-	5.2%	-	5.6%	5.6%
TOTAL MANAGERS AND STAFF	12 984	13 945	-	18 556	19 595	24 488	25 859	27 307

Table 33MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	182 126	29 140	94 283			305 549
Chief Whip						-
Executive Mayor	213 606	50 337	111 737			375 680
Deputy Executive Mayor	182 126	29 140	94 283			305 549
Executive Committee	151 425	46 444	89 919			287 789
Total for all other councillors	1 158 987	185 438	171 276			1 515 701
Total Councillors	1 888 271	340 499	561 498			2 790 268
Senior Managers of the Municipality						
Municipal Manager (MM)	969 514	19 443	7 000	135 732		1 131 689
Chief Finance Officer	715 371	14 360	7 000	100 152		836 883
Director Technical services	715 371	14 360	7 000	100 152		836 883
Director Corporate services	715 371	14 360	7 000	100 152		836 883
						-
						-
Total Senior Managers of the Municipality	3 115 625	62 524	28 000	436 188		3 642 337

Table 34MBRR SA24– summary of personnel numbers

Summary of Personnel Numbers				Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)		11			11		11		
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers		3		4	4				4
Other Managers		5							
Professionals	–	4	–	–	4	–	–	8	1
<i>Finance</i>					2			5	
<i>Spatial/town planning</i>		2			2			2	
<i>Information Technology</i>		2						1	1
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>									
Technicians	–	–	–	–	–	–	–	–	–
<i>Finance</i>									
<i>Spatial/town planning</i>									
<i>Information Technology</i>									
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>									
Clerks (Clerical and administrative)		42			44			47	
Service and sales workers		6			8			8	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators		9			9			9	
Elementary Occupations		40			40	40		51	40
TOTAL PERSONNEL NUMBERS	–	120	–	4	120	40	11	123	45
% increase				–	–	–	175.0%	2.5%	12.5%
Total municipal employees headcount									
Finance personnel headcount									
Human Resources personnel headcount									

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 35MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	1 606	852	852	852	852	852	852	852	852	852		–	9 274	9 794	10 342
Property rates - penalties & collection charges	40	40	40	40	40	40	40	40	40	40	40	40	475	502	530
Service charges - electricity revenue	1 750	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 750	1 753	19 806	20 915	22 086
Service charges - refuse revenue	101	101	101	101	101	101	101	101	101	101	101	101	1 209	1 276	1 348
Service charges - other												–	–	–	–
Rental of facilities and equipment	174	25	25	25	25	25	25	25	25	25	25	25	446	471	497
Interest earned - external investments	233	233	233	233	233	233	233	233	233	233	233	233	2 800	2 957	3 122
Fines	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 168	3 345
Licences and permits	279	279	279	279	279	279	279	279	279	279	279	279	3 344	3 531	3 729
Transfers recognised - operational	15 837	4 194			792		15 837	792				493	37 944	40 069	42 313
Other revenue	26	26	26	26	26	26	26	26	26	26	26	25	308	325	343
Total Revenue (excluding capital transfers and	20 295	7 615	3 422	3 422	4 213	3 422	19 259	4 213	3 422	3 422	2 703	3 198	78 605	83 007	87 655
Expenditure By Type															
Employee related costs	1 959	1 959	1 959	1 959	1 959	1 959	1 959	1 959	1 959	1 959	1 959	2 937	24 488	25 860	27 308
Remuneration of councillors	258	258	258	258	258	258	258	258	258	258	258	(45)	2 790	2 947	3 112
Debt impairment	96	96	96	96	96	96	96	96	96	96	96	96	1 150	1 214	1 282
Depreciation & asset impairment	308	308	308	308	308	308	308	308	308	308	308	(92)	3 300	3 485	3 680
Finance charges												–	–	–	–
Bulk purchases	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 527	18 433	19 465	20 555
Other materials	209	209	209	209	209	209	209	209	209	209	209	209	2 506	2 647	2 795
Contracted services	229	229	229	229	229	229	229	229	229	229	229	228	2 746	2 899	3 062
Transfers and grants	38	38	38	38	38	38	38	38	38	38	38	(12)	405	428	452
Other expenditure	1 409	1 409	1 409	1 409	1 409	1 409	1 409	1 409	1 409	1 409	1 409	722	16 216	17 124	18 083
Loss on disposal of PPE												–	–	–	–
Total Expenditure	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	5 570	72 035	76 069	80 328
Surplus/(Deficit)	14 253	1 573	(2 621)	(2 621)	(1 829)	(2 621)	13 216	(1 829)	(2 621)	(2 621)	(3 340)	(2 372)	6 571	6 938	7 327
Transfers recognised - capital	8 407		3 000		4 203							–	15 610	22 986	23 771
Surplus/(Deficit) after capital transfers & contributions	22 660	1 573	379	(2 621)	2 374	(2 621)	13 216	(1 829)	(2 621)	(2 621)	(3 340)	(2 372)	22 181	29 924	31 098
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	22 660	1 573	379	(2 621)	2 374	(2 621)	13 216	(1 829)	(2 621)	(2 621)	(3 340)	(2 372)	22 181	29 924	31 098

Table36 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Financial Services	17 483	5 085	892	892	1 683	892	2 475	1 683	892	892	892	16 834	50 593	53 427	56 419
Vote 4 - Corporate and Community Services	2	2	2	2	2	2	2	2	2	2	2	1	23	24	25
Vote 5 - Public Safety												-	-	-	-
Vote 6 - Public Health												-	-	-	-
Vote 7 - Protection Services	529	529	529	529	529	529	529	529	529	529	529	529	6 344	6 699	7 074
Vote 8 - Technical Services	8 596	40	40	40	4 243	40	40	40	40	40	40	40	13 241	13 982	14 765
Vote 9 - Refuse Removal	101	101	101	101	101	101	101	101	101	101	101	101	1 209	1 276	1 348
Vote 10 - Electricity	1 750	4 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 750	1 753	22 806	30 585	31 795
Total Revenue by Vote	28 460	10 374	3 180	3 180	8 175	3 180	4 764	3 972	3 180	3 180	3 313	19 258	94 215	105 993	111 426
Expenditure by Vote to be appropriated															
Vote 1 - Council	401	401	401	401	401	401	401	401	401	401	401	(102)	4 305	4 546	4 801
Vote 2 - Municipal Manager	282	282	282	282	282	282	282	282	282	282	282	188	3 285	3 469	3 663
Vote 3 - Financial Services	797	797	797	797	797	797	797	797	797	797	797	1 224	9 996	10 556	11 147
Vote 4 - Corporate and Community Services	821	821	821	821	821	821	821	821	821	821	821	1 290	10 316	10 893	11 503
Vote 5 - Public Safety	14	14	14	14	14	14	14	14	14	14	14	14	170	180	190
Vote 6 - Public Health												-	-	-	-
Vote 7 - Protection Services	602	602	602	602	602	602	602	602	602	602	602	602	7 229	7 633	8 061
Vote 8 - Technical Services	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	385	12 442	13 139	13 875
Vote 9 - Refuse Removal	146	146	146	146	146	146	146	146	146	146	146	146	1 747	1 845	1 948
Vote 10 - Electricity	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 830	22 545	23 807	25 141
Total Expenditure by Vote	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	5 578	72 035	76 069	80 328
Surplus/(Deficit) before assoc.	22 419	4 332	(2 861)	(2 861)	2 134	(2 861)	(1 278)	(2 070)	(2 861)	(2 861)	(2 728)	13 680	22 181	29 924	31 098
Taxation												-	-	-	-
Attributable to minorities												-	-	-	-
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	22 419	4 332	(2 861)	(2 861)	2 134	(2 861)	(1 278)	(2 070)	(2 861)	(2 861)	(2 728)	13 680	22 181	29 924	31 098

Table 37 MBRR SA27 -Budgeted monthly revenue and expenditure (standard classification)

Description R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
<i>Governance and administration</i>	17 483	5 086	892	892	1 684	892	2 476	1 684	892	892	892	16 835	50 598	53 432	56 424
Executive and council												-	-	-	-
Budget and treasury office	17 483	5 085	892	892	1 683	892	2 475	1 683	892	892	892	16 834	50 593	53 427	56 419
Corporate services	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
<i>Community and public safety</i>	54	54	54	54	54	54	54	54	54	54	54	54	648	685	723
Community and social services	54	54	54	54	54	54	54	54	54	54	54	54	648	685	723
<i>Economic and environmental services</i>	9 071	515	515	515	4 718	515	515	515	515	515	515	532	18 954	20 015	21 136
Planning and development												-	-	-	-
Road transport	9 071	515	515	515	4 718	515	515	515	515	515	515	532	18 954	20 015	21 136
Environmental protection												-	-	-	-
<i>Trading services</i>	1 851	4 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 718	1 851	1 854	24 014	31 861	33 143
Electricity	1 750	4 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 750	1 753	22 806	30 585	31 795
Water												-	-	-	-
Waste water management												-	-	-	-
Waste management	101	101	101	101	101	101	101	101	101	101	101	101	1 209	1 276	1 348
<i>Other</i>												-	-	-	-
Total Revenue - Standard	28 459	10 372	3 179	3 179	8 174	3 179	4 762	3 970	3 179	3 179	3 312	19 274	94 215	105 993	111 426
Expenditure - Standard															
<i>Governance and administration</i>	2 226	2 226	2 226	2 226	2 226	2 226	2 226	2 226	2 226	2 226	2 226	2 527	27 012	28 524	30 122
Executive and council	682	682	682	682	682	682	682	682	682	682	682	86	7 590	8 015	8 464
Budget and treasury office	797	797	797	797	797	797	797	797	797	797	797	1 224	9 996	10 556	11 147
Corporate services	746	746	746	746	746	746	746	746	746	746	746	1 216	9 426	9 954	10 511
<i>Community and public safety</i>	1 128	1 128	1 128	1 128	1 128	1 128	1 128	1 128	1 128	1 128	1 128	417	12 830	13 548	14 307
Community and social services	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	403	12 660	13 369	14 117
Sport and recreation												-	-	-	-
Public safety	14	14	14	14	14	14	14	14	14	14	14	14	170	180	190
<i>Economic and environmental services</i>	659	659	659	659	659	659	659	659	659	659	659	658	7 901	8 344	8 811
Planning and development	602	602	602	602	602	602	602	602	602	602	602	602	7 229	7 633	8 061
Road transport	56	56	56	56	56	56	56	56	56	56	56	56	673	710	750
Environmental protection												-	-	-	-
<i>Trading services</i>	2 029	2 029	2 029	2 029	2 029	2 029	2 029	2 029	2 029	2 029	2 029	1 976	24 292	25 652	27 089
Electricity	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 830	22 545	23 807	25 141
Waste management	146	146	146	146	146	146	146	146	146	146	146	146	1 747	1 845	1 948
Total Expenditure - Standard	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	6 042	5 577	72 035	76 069	80 328
Surplus/(Deficit) before assoc.	22 417	4 331	(2 863)	(2 863)	2 132	(2 863)	(1 279)	(2 071)	(2 863)	(2 863)	(2 730)	13 697	22 181	29 924	31 098
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	22 417	4 331	(2 863)	(2 863)	2 132	(2 863)	(1 279)	(2 071)	(2 863)	(2 863)	(2 730)	13 697	22 181	29 924	31 098

Table 38 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated															
Vote 1 - Council		6										-	6	-	20
Vote 2 - Municipal Manager			20									-	20	-	45
Vote 3 - Financial Services	20	20	20									-	60	-	-
Vote 4 - Corporate and Community Services				30	26	20	43					-	119	-	-
Vote 5 - Public Safety												-	-	-	-
Vote 6 - Public Health												-	-	-	-
Vote 7 - Protection Services			100	109								-	209	500	-
Vote 8 - Technical Services	1 777	1 827	1 777	1 127	1 127	1 127	1 127	1 127	1 127	1 127	884	-	14 153	19 786	16 271
Vote 9 - Refuse Removal												-	-	960	-
Vote 10 - Electricity			1 000		3 000	12 000			536			-	16 536	10 000	10 000
Capital multi-year expenditure sub-total	1 797	1 853	2 917	1 265	4 153	13 147	1 170	1 127	1 663	1 127	884	-	31 103	31 246	26 336

Table 39 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
<i>Governance and administration</i>	20	26	40	30	26	20	43	-	-	-	-	-	205	-	65
Executive and council		6	20										26	-	65
Budget and treasury office	20	20	20										60	-	-
Corporate services				30	26	20	43						119	-	-
<i>Community and public safety</i>	700	150	190	49	49	49	49	49	49	49	49	49	1 483	6 800	2 500
Community and social services	700	150	190	49	49	49	49	49	49	49	49	49	1 483	6 800	2 500
<i>Economic and environmental services</i>	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 027	12 879	13 486	13 771
Planning and development													-	-	-
Road transport	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 027	12 879	13 486	13 771
Environmental protection													-	-	-
<i>Trading services</i>	-	-	1 000	-	3 000	12 000	-	-	536	-	-	-	16 536	10 960	10 000
Electricity			1 000		3 000	12 000			536				16 536	10 000	10 000
Total Capital Expenditure - Standard	1 797	1 253	2 307	1 157	4 153	13 147	1 170	1 127	1 663	1 127	1 127	1 076	31 103	31 246	26 336
Funded by:															
National Government	9 000		3 000		3 610							-	15 610	22 986	23 771
Transfers recognised - capital	9 000	-	3 000	-	3 610	-	-	-	-	-	-	-	15 610	22 986	23 771
Public contributions & donations													-	-	-
Borrowing													-	-	-
Internally generated funds						12 000						3 493	15 493	8 260	2 565
Total Capital Funding	9 000	-	3 000	-	3 610	-	-	-	-	-	-	15 493	31 103	31 246	26 336

Table 40 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand															
Cash Receipts By Source													1		
Property rates	696	696	696	696	696	696	696	696	696	696	696	695	8 347	8 814	9 308
Property rates - penalties & collection charges	36	36	36	36	36	36	36	36	36	36	36	35	428	452	477
Service charges - electricity revenue	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 485	1 986	18 325	19 351	20 435
Service charges - refuse revenue	91	91	91	91	91	91	91	91	91	91	91	90	1 088	1 149	1 213
Service charges - other												-			
Rental of facilities and equipment	33	33	33	33	33	33	33	33	33	33	33	33	382	403	426
Interest earned - external investments	208	208	208	208	208	208	208	208	208	208	208	508	2 800	2 957	2 640
Fines	250	225	225	225	225	225	225	225	225	225	225	450	2 950	3 115	3 290
Licences and permits	301	301	251	301	251	301	251	251	251	251	251	300	3 260	6 262	8 382
Agency services												-			
Transfer receipts - operational	15 837	4 194	493		792		15 837	792				-	37 944	42 244	42 561
Other revenue												297	297	313	331
Cash Receipts by Source	18 937	7 269	3 518	3 075	3 817	3 075	18 862	3 817	3 025	3 025	3 025	4 376	75 820	85 061	89 062
Other Cash Flows by Source															
Transfer receipts - capital	5 000			5 305			5 305					-	15 610	13 986	14 771
Increase (decrease) in consumer deposits	7	7	7	7	7	7	7	7	7	7	7	7	80	100	120
Total Cash Receipts by Source	23 944	7 275	3 525	8 387	3 823	3 082	24 174	3 823	3 032	3 032	3 032	4 383	91 510	99 147	103 953
Cash Payments by Type															
Employee related costs	1 740	1 740	1 740	1 740	1 740	3 480	1 740	1 740	1 740	1 740	1 740	2 668	23 549	24 868	26 260
Remuneration of councillors	287	287	287	287	287	287	287	287	287	287	286	-	3 151	3 327	3 514
Finance charges												-			
Bulk purchases - Electricity	1 543	1 543	1 543	1 543	1 543	1 543	1 543	1 543	1 543	1 543	1 543	1 543	18 511	19 548	20 643
Bulk purchases - Water & Sewer												-			
Other materials	198	198	198	198	198	198	198	198	198	198	198	198	2 381	2 514	2 655
Contracted services	217	217	217	217	217	217	217	217	217	217	217	218	2 608	2 754	2 909
Transfers and grants - other municipalities												-			
Transfers and grants - other	38	38	38	38	38	38	38	38	38	38	38	38	455	481	508
Other expenditure	791	791	791	791	791	791	791	791	791	791	791	796	9 497	10 029	10 589
Cash Payments by Type	4 814	4 814	4 814	4 814	4 814	6 554	4 814	4 814	4 814	4 814	4 813	5 461	60 152	63 522	67 078
Other Cash Flows/Payments by Type															
Capital assets	8 407		3 000		4 203		12 000					3 493	31 103	22 246	17 336
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	13 220	4 814	7 814	4 814	9 017	6 554	16 814	4 814	4 814	4 814	4 813	8 955	91 255	85 768	84 414
NET INCREASE/(DECREASE) IN CASH HELD	10 723	2 462	(4 289)	3 573	(5 194)	(3 473)	7 360	(991)	(1 782)	(1 782)	(1 781)	(4 571)	254	13 379	19 539
Cash/cash equivalents at the month/year begin:	21 342	32 065	34 527	30 237	33 810	28 616	25 144	32 504	31 513	29 731	27 949	26 167	21 342	21 596	34 975
Cash/cash equivalents at the month/year end:	32 065	34 527	30 237	33 810	28 616	25 144	32 504	31 513	29 731	27 949	26 167	21 596	21 596	34 975	54 514

2.9 ANNUAL BUDGETS AND DEPARTMENTAL SDBIPs

2.9.1 MUNICPLAL MANAGER

IDP REFEREN CE	OUTCOME 9	NATIONAL KEY PERFORMANCE AREA	OUTPUT	INDICATOR	UNIT OF MEASURE / CALCULATIO NS	ANNUAL TARGET / KEY PERFORMANCE INDICATOR / OUTPUT	PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
							QUARTERLY PROJECTIONS			
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
B.1.1.1	DIFFERENTIAT ED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATI ON AND INSTITUTIONAL DEVELOPMENT	Workplace skills developme nt	Budget spent on Work Skills Plan	Budgeted amount	R100 000.00	R10 000.00	R40 000.00	R30 000.00	R20 000.00
					Actual amount spent					
					Percentage spent	100%	10%	50%	70%	100%
B.1.2.2			Employe nt equity	Number of people from employment equity target groups employed in the three highest levels of managemen t	Number	1	N/A	N/A	N/A	1
B1.3.1	DIFFERENTIAT ED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATI ON AND INSTITUTIONAL DEVELOPMENT	100% Filling of critical positions.	Percentage of critical posts filled	Percentage	100%	0	N/A	N/A	N/A

B.1.4.1	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Approved Organisation scorecard.	Date of approval of scorecard by Council by 30 June 2014.	Date	1 x OPMS scorecard approved by Council by 30 June 2015.	N/A	N/A	N/A	1 x OPMS scorecard approved by Council by 30 June 2015.
B.1.4.3	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Signed section 57 performance reports.	Number of performance agreements signed.	Number	4 x Performance agreements signed by 31 July 2015.	N/A	N/A	N/A	N/A
B.1.4.2	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Submit APR to AG	Submission of Annual Performance report to AG by 30 August 2014	Date	Submission of Annual Performance report to AG by 30 August 2014	Submit Annual Report to AG by 31 August 2014.	N/A	N/A	N/A
	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Performance Evaluations	Performance Evaluations for all section 57 managers.	Number	4 Performance evaluations by 30 June 2014.	1	1	1	1
	GOOD GOVERNANCE	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	IDP Road shows	Number of Road shows held by 30 June 2015.	Number	12 IDP road shows held by 30 June 2015	N/A	6 IDP road shows held by 30 December 2014.	N/A	6 IDP Road shows held by 30 June 2015.

D.1.1.1		GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Approved IDP	Date of approval of IDP	Date	Approved reviewed IDP by 30 June 2015.			Approved draft IDP by 30 March 2015.	Approved Final IDP by 30 June 2015.
D.1.3.1	GOOD GOVERNANCE	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Council meetings	Number of Council meetings held.	Number	4 x Council meetings held by 30 June 2015.	1 Council meeting.	1 Council meeting.	1 Council meeting.	1 Council meeting.
			EXCO meeting	Number of EXCO meetings held.	Number	12 EXCO meetings held by 30 June 2014.	3 EXCO meeting.	3 EXCO meeting.	3 EXCO meeting.	3 EXCO meeting.
			Approved annual report.	Approval of annual report by 31 March 2014	Date	Approved annual report			Approval of draft annual report by Council by 31 March 2015.	
G.1.2.1	COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED	LOCAL ECONOMIC DEVELOPMENT	Community Work programme implemented and cooperatives supported	Number of work opportunities created through LED development initiatives including Capital Projects	Number	40 work opportunities created through LED development initiatives including EPWP and Food for waste	N/A	40 work opportunities created through LED development initiatives including EPWP and food for waste program.	N/A	N/A

C.1.1.2	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Improved Audit Opinion	Percentage of a municipality's capital budget actually spent on capital projects identified in the IDP	Percentage : Total spending on capital projects divided by total capital budget x 100	100%	51,52	25,76	77,28	96,24
C.1.1.1				Financial viability in terms of debt coverage	Ratio: Total operating revenue received minus operating grants divided by debt service payments (ie. Interests plus redemption)	90	67,70	50,39	48,15	44,63
C.1.1.0				Financial viability in terms of cost coverage	Ratio: Available cash plus investments divided by monthly fixed operating expenditure	4	1,33	1,46	2,43	4,58
C.1.1.1				Financial viability in terms of outstanding service debtors to revenue	Ratio: Outstanding service debtors divided by annual revenue actually received for services	1	2,50	5,26	4,34	3,64

A.2.2.1	IMPROVED ACCESS TO BASIC SERVICES	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Improved access to basic services	KILOMETRES of roads refurbished.	KILOMETRES	12 KILOMETRES of new municipal roads constructed	Advertise tender.	Appoint service provider	6 kilometre completed by 30 March 2014.	6 KILOMETRES of new municipal roads constructed by 30 June 2014.
				KILOMETRES of rural roads gravelled.	KILOMETRES	18 KILOMETRES of rural roads gravelled municipal roads constructed	Advertise tender.	Appoint service provider	10 KILOMETRES completed.	8 km completed.
A.4.1.1				No. of new houses constructed	No. of Housing projects facilitated.	6 of housing projects facilitated	6 of housing projects facilitated	6 of housing projects facilitated	6 of housing projects facilitated	6 of housing projects facilitated

2.9.2 CORPORATE SERVICES

IDP REFE RENC E	NATIONA L KEY PERFORM ANCE INDICATO R	PROGRA MME	PROJE CT	W A R D	BAS ELIN E/ STAT US QUO	MEASURAB LE OBJECTIVE	ANNU AL TARG ET/ OUTP UT	PERFORMA NCE MEASURE	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OPE X	CAP EX	REV ENU E	FUNDI NG SOUR CE	QUARTERLY PROJECTIONS			
									VOT E	VOT E	VOT E	VOT E	QUART ER 1	QUARTE R 2	QUARTE R 3	QUARTE R 4
D.1.3.1	GOOD GOVERNANCE & PUBLIC PARTICIPATION	Functioning of Ward Committees	Annual schedule of meetings	Al l	Schedule submitted to Cogta by 30 June 2015	Functioning of ward committees: completed schedule 2014/2015 of meetings submitted to Cogta by 30 June annually	Annual schedule of meetings 2013/2014 submitted to CoGTA by 30th of June 2015	Date of submission of annual schedule 2013/2014 of meetings to Cogta	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Annual schedule of meetings 2013/2014 submitted to CoGTA by 30th of June 2015
D.1.3.1	GOOD GOVERNANCE & PUBLIC PARTICIPATION	Functioning of Ward Committees	Reports	Al l	4 Monthly reports 2012/2013	Functioning of ward committees: submission of monthly reports from each of the 6 ward committees to Council every quarter.	Monthly reports from each Ward committees submitted to Council.	Date of submission of monthly report from each ward committee.	N/A	N/A	N/A	N/A	Submission of monthly reports from each of the ward committees to Council.	Submission of monthly reports from each of the ward committees to Council.	Submission of monthly reports from each of the ward committees to Council.	Submission of monthly reports from each of the ward committees to Council.
D.1.3.1	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Council meetings	Council meetings	N/A	4 meetings held.	To ensure Council meetings quarterly.	4 Council meetings held by 30 June	Number of Council meetings held per quarter.	N/A	N/A	N/A	N/A	1 Council meeting.	1 Council meeting.	1 Council meeting.	1 Council meeting.

							2015.									
		EXCO	EXCO meetings	N/A	12 EXCO meetings annually.	To ensure monthly EXCO meetings.	12 EXCO meetings by 30 June 2015.	Number of EXCO meetings held per quarter.	N/A	N/A	N/A	N/A	1 EXCO meeting.	2 EXCO meeting.	3 EXCO meeting.	4 EXCO meeting.
	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Training of municipal staff.		N/A		Training of all municipal employees	R100 000.00 spent on training of staff.	Budget spent on work skills plan.	N/A	N/A	N/A	N/A				R 100 000.00
							R 100 000.00 spent by 30 June 2014.	Actual amount spent	N/A	N/A	N/A	N/A				
							100% spent by 30 June 2015.	Percentage spent on work skills plan	N/A	N/A	N/A	N/A				
G.1.2.1	LOCAL ECONOMIC DEVELOPMENT	EPWP AND FOOD FOR WASTE.	LED INITIATIVES	ALL	40 EPWP AND 52 FOOD FOR WASTE.	NUMBER OF EMPLOYMENT OPPORTUNITIES CREATED THROUGH LED INITIATIVES.	40 work opportunities created through LED development initiatives including EPWP and Food	Number of job opportunities created through LED development initiatives.	N/A	N/A	N/A	N/A	40 EPWP workers employed by 30 September 2014.	N/A	N/A	N/A

							for waste									
	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Library Services	Library services	Al	4 exchange annually	Number of book exchange annually.	4 Book exchange by 30 June 2014.	Number of book exchange	N/A	N/A	N/A	N/A	N/A	N/A	2	2
D.1.3.1	GOOD GOVERNANCE & PUBLIC PARTICIPATION	Disaster Management	Awareness Campaigns	Al	(4) Number of meetings held.	To increase the capacity for Public Safety in the community	4 x Disaster Management Forum meeting held by the 30th of June 2015.	Number of disaster management forum meetings held.	N/A	N/A	N/A	N/A	1 x Disaster management Forum meeting held.	1 x Disaster management Forum meeting held.	1 x Disaster management Forum meeting held.	1 x Disaster management Forum meeting held.

IDP REFERENCE	NATIONAL KEY PERFORMANCE INDICATOR	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	MEASURABLE OBJECTIVE	ANNUAL TARGET / OUTPUT	PERFORMANCE MEASURE	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OPEX	CAP EX	REVENUE	FUNDING SOURCE	QUARTERLY PROJECTIONS			
									VOTE	VOTE	VOTE		QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4

E.1.1.1	Good Governance and Public Participation	Community Participation	Community Complaints and referral	All	Haphazard response to complaints by BU	Effective mechanisms, processes and procedures for Community participation	Complaints received referred to relevant business unit/s within 2 days of receipt	Complaints received referred to relevant business unit/s within 2 days of receipt	N/A	N/A	N/A	N/A	Complaints received referred to relevant business unit/s within 2 days of receipt	Complaints received referred to relevant business unit/s within 2 days of receipt	Complaints received referred to relevant business unit/s within 2 days of receipt	Complaints received referred to relevant business unit/s within 2 days of receipt
E.1.1.1	Good Governance and Public Participation	Community Based Planning	Ward Plans	All wards	6 wards have no Ward Plans	Effective mechanisms, processes and procedures for Community participation	6 Ward Plans developed and submitted to Council for approval by 30 June 2014	Number of Community based plans submitted to Council by the 28th of February 2014		N/A	N/A	Council	N/A	3 ward plans completed	3 ward plans completed	N/A
E.1.1.1	Good Governance and Public Participation	Community Participation	Operation Sukuma Sakhe Functionality	All	Lack of participation of Government departments	Effective mechanisms, processes and procedures for Community participation	4 x Monthly Reports on the functionality of OSS submitted to Portfolio by the 30th of June 2014	Number of reports submitted to Portfolio committee.	N/A	N/A	N/A	N/A	1 x Monthly Reports on the functionality of OSS submitted to Portfolio committee.	1 x Monthly Reports on the functionality of OSS submitted to Portfolio committee.	1 x Monthly Reports on the functionality of OSS submitted to Portfolio committee.	1 x Monthly Reports on the functionality of OSS submitted to Portfolio committee.

2.9.3 TECHNICAL SERVICES

IDP REF	NATIONAL KEY PERFORMANCE INDICATOR	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	MEASURABLE OBJECTIVE	ANNUAL TARGET / OUTPUT	PERFORMANCE MEASURE	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OP EX	CAPE X	REVENUE	FUNDING SOURCE	QUARTERLY PROJECTIONS			
									VOTE	VOTE	VOTE		QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	Building Upgrade	Renovation of Hlabathi crèche.	3	No roof	To repair roof and paint walls.	1 x roof repaired and walls painted by 31 December 2013.	Number & Date of crèche renovated.	N/A		N/A	CNL		Quotes obtained from Annual Supply Contract or by the 30th of December 2014.	1 x crèche renovated by the 31st of December 2013.	N/A
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	Building Upgrade	Renovation Of Melmoth town hall.	1	Flooring required.	To renovate floor and walls at Melmoth Town Hall by 30 June 2014	Renovate Town Hall by the 31st of March 2014	Date completed	N/A		N/A	CNL			Contract or appointed and on site by the 31st of March 2014	50% completion
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	Building Upgrade	Municipal swimming pool.	1	No Visual system	To renovate buildings at the Melmoth swimming pools.	Municipal swimming pool buildings renovated by 31	Date of completion of project.	N/A		N/A	CNL	N/A	N/A	Contract or appointed and on site by the 31st of December 2015	Completed renovations to swimming buildings.

							June 2014.									
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	Building Upgrade	Renovation of Corporate services offices.	1	No ceiling	To install new ceiling at Corporate Services Offices by 30 June 2014	Completed installation of Ceiling at Corporate Services by the 30 June 2014	Date Completion of project	N/A		N/A	Mthonjani LM			Bid Spec approved and advertised by the 30th of September 2013 and appointment of contract or.	Ceiling installed in Corporate services offices.
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	Upgrading of rural Roads in Mthonjani	UPGRADE DESIGN OF GRAVEL ROADS - in wards 2 and 3	2 & 3	Gravel Road	To complete 10 km road by 30 June 2014.	Upgraded 10 km road regressed by the 30 June 2014	Kms upgraded and date of completion	N/A		N/A	MIG	Bid Spec approved and advertised by the 30th of September 2013	Appointment of contract or.		Upgraded 10 km rural road by the 30 of June 2014
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT					To upgrade 18 km of urban Roads by 30 June 2015.	Upgraded 18 km road by 30 June 2014.	Kms upgraded and date of completion	N/A		N/A	MIG	Bid Spec approved and advertised by the 30th of September 2015	Appointment of contract or.	N/A	Upgraded 10 km rural road by the 30 of June 2015

	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT								N/A		N/A		N/A		N/A	N/A
	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT								N/A		N/A					

2.9.4 FINANCIAL SERVICES

	NATIONAL KEY PERFORMANCE INDICATOR	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	MEASURABLE OBJECTIVE	ANNUAL TARGET / OUTPUT	PERFORMANCE MEASURE	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OP EX	CAP EX	REVENUE	FUNDING	QUARTERLY PROJECTIONS			
									VOTE	VOTE	VOTE	SOURCE	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	MUNICIPAL FINANCIAL VIABILITY	IDP/Budget process plan	Process Plan	N/A	2014/2015 IDP/Budget process plan approved on the 31 August 2014	IDP/Budget process plan for 2014/15 developed and submitted to SMC	IDP/Budget process plan for 2014/15 Developed and Submitted to Council by the 31st August 2014	Date IDP/Budget process plan submitted to SMC	N/A	N/A	N/A	N/A	IDP/Budget process plan for 2014/15 Developed and Submitted to SMC by the 31st August 2014	N/A	N/A	N/A

			Implementation of process plan		Budget Approved in May 2014	Preparation of 2014/15 budget in terms of Chapter 4 of MFMA by May 2014	Final Draft budget for 2014/15 & two outer years submitted to SMC by the 30th of April 2014	Date Final Draft budget for 2014/15 & two outer years submitted to SMC	N/A	N/A	N/A	N/A			Draft budget for 2014/15 & two outer years submitted to DMM: Finance by the 31st of March 2014	Draft budget for 2014/15 & two outer years submitted to DMM: Finance by the 31st of May 2014
		IDP/Budget process plan	Implementation of process plan		Budget Approved in May 2014	Preparation of 2014/15 budget in terms of Chapter 4 of MFMA by 30 April 2014	Summary of the approved budget and tariff of charges Advertis ed by the 30th of June	Date Summary of the approved budget and tariff of charges Advertis ed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Summary of the approved budget and tariff of charges Advertis ed by the 30th of June 2014

							2014									
	MUNICIPAL FINANCIAL VIABILITY	Financial reporting and auditing	Preparation of annual financial statements	N/A	Annual Financial Statements submitted to the AG on the 31st of August 2014	Annual Financial Statements prepared and submitted to the AG within legislative timeframes	Annual financial statements prepared and submitted to AG by the 31st of August 2013	Date of submission of Annual financial statements to the AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	MUNICIPAL FINANCIAL VIABILITY	Financial reporting	Compliance	N/A	Section 71 reports were prepared and submitted within 10 working days after each month end for 2014/15 Financial year	Monthly submission of Section 71 to reports portfolio	12 x S71 reports produced and submitted to Council within 10 working days after the end of each month by the 30th of June 2015	Number of S71 reports submitted and number of days after the end of each month	N/A	N/A	N/A	N/A	3 x S71 reports produced and submitted to Council within 10 working days after the end of each month	3 x S71 reports produced and submitted to Council within 10 working days after the end of each month	3 x S71 reports produced and submitted to Council within 10 working days after the end of each month	1 x S71 reports produced and submitted to Council within 10 working days after the end of each month
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	MUNICIPAL FINANCIAL VIABILITY	Financial reporting	Compliance	N/A	Quarterly submission of Section 52(d) reports to Council done on an ad-hoc basis in 13/14 FY	Quarterly submission of Section 52(d) reports to SMC	3 x Quarterly reports of Section 52(d) produced and submitted to SMC within 10 working days after the end of each Quarter by the 30th of June 2015	Number of S52(d) reports submitted and number of days after the end of each quarter	N/A	N/A	N/A	N/A	N/A	1 x Quarterly reports of Section 52(d) produced and submitted to SMC within 10 working days after the end of each Quarter	1 x Quarterly reports of Section 52(d) produced and submitted to SMC within 10 working days after the end of each Quarter	1 x Quarterly reports of Section 52(d) produced and submitted to SMC within 10 working days after the end of each Quarter by the 30th of June 2015
									N/A	N/A	N/A		N/A	N/A	N/A	N/A

	MUNICIPAL FINANCIAL VIABILITY	Financial Reporting	Compliance	N/A	2012/13 mid-year report tabled by 25 January 2015	Submission of Section 72 report (budget related information) to Council	Section 72 (mid-year) report prepared and Submitted to Council by 25 January 2015	Date S72 report submitted to SMC	N/A	N/A	N/A	N/A	N/A		Section 72 (mid-year) report prepared and Submitted to Council by the 25th of January 2015	N/A
	MUNICIPAL FINANCIAL VIABILITY	Financial Reporting	Compliance	N/A	Grants financial report is tabled to Finance Portfolio monthly during the 2014/15	Monthly monitoring of grants	12 x Monthly monitoring of grants reports prepared and submitted to SMC by the 30th of June	Number of Monitoring of grants reports submitted to Finance Portfolio	N/A	N/A	N/A	N/A	3 x Monthly monitoring of grants reports prepared and submitted to Council	3 x Monthly monitoring of grants reports prepared and submitted to Council	3 x Monthly monitoring of grants reports prepared and submitted to Council	3 x Monthly monitoring of grants reports prepared and submitted to Council

							2015									
	MUNICIPAL FINANCIAL VIABILITY	Financial Reporting	Compliance	N/A	Section 66 reports are prepared and submitted within 10 working days after each month end for 2012/13 year	Monthly submission of Section 66 to reports Council	12 x S66 reports produced and submitted to Council within 10 working days after the end of each month by the 30th of June 2015	Number of S66 reports submitted and number of days after the end of each month	N/A	N/A	N/A	N/A	3 x S66 reports produced and submitted to Council within 10 working days after the end of each month	3 x S66 reports produced and submitted to Council within 10 working days after the end of each month	3 x S66 reports produced and submitted to Council within 10 working days after the end of each month	3 x S66 reports produced and submitted to Council within 10 working days after the end of each month

	MUNICIPAL FINANCIAL VIABILITY	Financial Reporting	Cashflow	N/A	Monthly and quarterly cash flow to be submitted to Council for 2014/15 year	Monthly Cash flow report to improve cash coverage ratio (1:1)	12 x Monthly Cash flow report prepared and submitted to Council by the 30th of June 2015	Number of Monthly Cash flow Reports submitted to Council	N/A	N/A	N/A	N/A	3 x Monthly Cash flow report prepared and submitted to Council	3 x Monthly Cash flow report prepared and submitted to Council	3 x Monthly Cash flow report prepared and submitted to Council	3 x Monthly Cash flow report prepared and submitted to Council
									N/A	N/A	N/A		N/A	N/A	N/A	N/A

OPERATIONAL PLAN FOR THE 2014/2015 FINANCIAL YEAR																
BUSINESS UNIT: FINANCE																
SUB UNIT: EXPENDITURE MANAGEMENT																
IDP REFE RENC E	NATIO NAL KEY PERFO RMAN CE INDICA TOR	PROG RAMM E	PROJ ECT	WA RD	BASE LINE / STAT US QUO	MEASUR ABLE OBJECTIV E	ANNUAL TARGET / OUTPUT	PERFOR MANCE MEASURE	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OP EX	CAP EX	REV ENU E	FUN DIN G	QUARTERLY PROJECTIONS			
									VO TE	VO TE	VOT E	SOU RCE	QUAR TER 1	QUAR TER 2	QUAR TER 3	QUAR TER 4
	MUNICIPAL FINANCIAL VIABILITY	Management of Expenditure.	Prevention of fruitless and wasteful expenditure	N/A	Fruitless and wasteful expenditure reports submitted to Council for 2014/ 15	Monthly report to Council	12 x monthly reports produced and submitted to Council on Fruitless and Wasteful Expenditure by the 30th of June 2015	Number of Reports submitted to Council	N/A	N/A	N/A	N/A	3 x monthly reports produced and submitted to Council on Fruitless and Wasteful Expenditure	3 x monthly reports produced and submitted to Council on Fruitless and Wasteful Expenditure	3 x monthly reports produced and submitted to Council on Fruitless and Wasteful Expenditure	12 x monthly reports produced and submitted to SMC on Fruitless and Wasteful Expenditure by the 30th of June 2015

	MUNICIPAL FINANCIAL VIABILITY	Management of Expenditure.	Payment of suppliers.	N/A	Creditors not paid within 30 days from date of receipt of invoice.	Payment of all council creditors within 30 days from date of receipt of invoice by the creditors department	All creditors paid within 30 days from date of receipt of invoice by the 30th of June 2015	Turnaround time for payment to creditors	N/A	N/A	N/A	N/A	All creditors paid within 30 days from date of receipt of invoice by the creditors department	All creditors paid within 30 days from date of receipt of invoice by the creditors department	All creditors paid within 30 days from date of receipt of invoice by the creditors department	Payment of all council creditors within 30 days from date of receipt of invoice by the creditors department
	MUNICIPAL FINANCIAL VIABILITY	Management of Expenditure.	Monthly Reporting		Monthly creditors age analysis reports submitted to Council	Monthly creditors age analysis submitted to Council.	12 x Monthly Creditors Age Analysis Reports submitted to Council by the 30th of June 2015	Number of Reports submitted to Council	N/A	N/A	N/A	N/A	3 x Monthly Creditors Age Analysis Reports submitted to Council	3 x Monthly Creditors Age Analysis Reports submitted to Council	3 x Monthly Creditors Age Analysis Reports submitted to Council	3 x Monthly Creditors Age Analysis Reports submitted to Council

OPERATIONAL PLAN FOR THE 2014/2015 FINANCIAL YEAR																
BUSINESS UNIT: FINANCE																
SUB UNIT: REVENUE MANAGEMENT																
IDP REFE RENC E	NATIO NAL KEY PERFO RMAN CE INDICA TOR	PROG RAM ME	PROJEC T	WA RD	BASELI NE / STATU S QUO	MEASUR ABLE OBJECTIV E	ANNUAL TARGET / OUTPUT	PERFOR MANCE MEASUR E	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OP EX	CA PEX	REV ENU E	FUN DIN G SOU RCE	QUARTERLY PROJECTIONS			
													QUAR TER 1	QUAR TER 2	QUAR TER 3	QUAR TER 4
	MUNICIPAL FINANCIAL VIABILITY	Adoption of Revenue related policies	Compliance	N/A	All Revenue related policies were reviewed in 2014/15 budget (Credit Control , Tariffs , Indigent, Rates and Debt Write	Review (Credit Control , Tariffs , Indigent, Rates and Debt Write off policies)all revenue related policies	Credit Control , Tariffs , Indigent, Rates and Debt Write off policies reviewed and submitted to SMC by the 31st of March 2015	Date submitted to Council	N/A	N/A	N/A	N/A	N/A	N/A	Credit Control , Tariffs , Indigent, Rates and Debt Write off policies reviewed and submitted to Council by	Credit Control , Tariffs , Indigent, Rates and Debt Write off policies reviewed and submitted to Council by

					off policies)										the 31st of March 2015	the 30th June 2015
	MUNICIPAL FINANCIAL VIABILITY	Revenue Management	Reports	N/A	Monthly debtors age analysis reports submitted to SMC in the 14/15 FY	Monthly debtors age analysis reports submitted to SMC	12 x monthly debtors age analysis reports submitted to SMC by the 30th of June 2015	Number of reports submitted to Council	N/A	N/A	N/A	N/A	3 x monthly debtors age analysis reports submitted to Council	3 x monthly debtors age analysis reports submitted to Council	3 x monthly debtors age analysis reports submitted to Council	12 x monthly debtors age analysis reports submitted to Council by the 30th of June 2015
	MUNICIPAL FINANCIAL VIABILITY	Revenue Management	Debt collection	N/A	85% current debt collected in the 14/15	Current debt collected in 14/15 FY	80% collection rate monthly (current debt) by the 30th	Current debt collection rate	N/A	N/A	N/A	N/A	90% collection rate monthly (current	90% collection rate monthly (current	90% collection rate monthly (current	90% collection rate monthly (current

					FY		of June 2015						nt debt)	nt debt)	nt debt)	nt debt)
	MUNICIPAL FINANCIAL VIABILITY	Revenue Management	Debt collection	N/A	20% arrear debt collected in the 12/13 FY	Arrear debt collected in 13/14 FY	25% collection rate monthly (arrear debt) by the 30th of June 2014	Arrear debt collection rate	N/A	N/A	N/A	N/A	25% collection rate monthly (arrear debt)	25% collection rate monthly (arrear debt)	25% collection rate monthly (arrear debt)	25% collection rate monthly (arrear debt)
	MUNICIPAL FINANCIAL VIABILITY	Billing management	Accurate Billing	N/A	70% electricity meters read in the 12/13 FY	Number of electricity meters read monthly	100% of all electricity meters read on a monthly basis by the 30th of June 2015	% of electricity meters read	N/A	N/A	N/A	N/A	100% of all electricity meters read on a monthly basis	100% of all electricity meters read on a monthly basis	100% of all electricity meters read on a monthly basis	100% of all electricity meters read on a monthly basis
									N/A	N/A	N/A		N/A	N/A	N/A	N/A

	MUNICIPAL FINANCIAL VIABILITY	Revenue Enhancement Strategy	Development of a Revenue Enhancement Strategy	N/A	No revenue enhancement strategy in place	Development of a revenue enhancement strategy submitted to Council for approval.	Approved revenue enhancement strategy and submitted to Council for approval by the 30th of June 2015	Date of approval of Revenue Enhancement Strategy.	N/A	N/A	N/A	N/A				Approval of revenue enhancement strategy by Council by 30 June 2015.
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OPERATIONAL PLAN FOR THE 2014/2015 FINANCIAL YEAR																
BUSINESS UNIT: FINANCE																
SUB UNIT: SUPPLY CHAIN MANAGEMENT																
IDP REFE RENC E	NATIO NAL KEY PERFO RMAN CE INDICA TOR	PROG RAM ME	PRO JEC T	WA RD	BASELINE / STATUS QUO	MEASUR ABLE OBJECTIV E	ANNUAL TARGET / OUTPUT	PERFOR MANCE MEASUR E	ANNUAL BUDGET INFORMATION				PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			
									OP EX	CA PEX	REV ENU E	FUN DIN G	QUARTERLY PROJECTIONS			
									VO TE	VO TE	VOT E	SOU RCE	QUAR TER 1	QUAR TER 2	QUAR TER 3	QUAR TER 4
	BASIC SERVIC E DELIVE RY & INFRA STRUCTU RE INVEST MENT	SCM	Poli cy Revi ew	N/A	SCM Policy approved by Council on 31/06/20 15	Annual Review of Supply chain manage ment Policy by	Supply chain manage ment Policy reviewed and submitte d to Council by the 31st of June 2015	Date Supply chain manage ment Policy reviewed and submitte d to Council	N/A	N/A	N/A	N/A		N/A	Supply chain manag ement Policy review ed and submit ted to Counci l: Financ e by the 31st March 2015	Supply chain manag ement Policy review ed and submit ted to Counci l: Financ e by the 30th of June 2015

	BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT	SCM	Monthly Reports	N/A	Report submitted monthly to finance portfolio	Prepare monthly and submit Deviations (SCM Regulations section 36) report submitted to MM	12 x Deviations (SCM Regulations section 36) report prepared and submitted to MM by the 30th of June 2015	Number of Deviations (SCM Regulations section 36) reports prepared and submitted to MM.	N/A	N/A	N/A	N/A	3 x Deviations (SCM Regulations section 36) report prepared and submitted to Municipal Manager	3 x Deviations (SCM Regulations section 36) report prepared and submitted to Municipal Manager	3 x Deviations (SCM Regulations section 36) report prepared and submitted to Municipal Manager	3 x Deviations (SCM Regulations section 36) report prepared and submitted to Municipal Manager
	Municipal Financial Viability	SCM	Monthly Reports	N/A	Submit Monthly DORA report on all grants received.	Preparing and submitting of DORA reports submitted to Council.	12 Monthly DORA reports submitted to portfolio	Number of DORA reports submitted to Finance Portfolio Committee	N/A	N/A	N/A	N/A	3 DORA reports submitted to portfolio committee.	3 DORA reports submitted to portfolio committee.	3 DORA reports submitted to portfolio committee.	3 DORA reports submitted to portfolio committee.

	Municipal Financial Viability	Inventory Management	Annual Stock taking	N/A	Annual Stock taking by 15 July 2015	Annual Report on stock taking by 15 July 2015	Annual Report on stock taking submitted to SMC by the 15th of July 2015	Date Annual Report on stock taking submitted to SMC	N/A	N/A	N/A	N/A	Annual Report on stock taking submitted to Council by the 15th of July 2015	N/A	N/A	N/A
	Municipal Financial Viability	Irregular Expenditure	Reports	N/A	Irregular Expenditure reports submitted quarterly to SMC in the 14/15 FY	Irregular Expenditure reports submitted quarterly to Council	4 x irregular expenditure quarterly reports produced and submitted to Council by the 30th of June 2015	Number of irregular expenditure quarterly reports produced and submitted to Council.	N/A	N/A	N/A	N/A	1 x irregular expenditure quarterly reports produced and submitted to Council	1 x irregular expenditure quarterly reports produced and submitted to Council	1 x irregular expenditure quarterly reports produced and submitted to Council	1 x irregular expenditure quarterly reports produced and submitted to Council

2.11. LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In- year reporting

Section S71 Reporting to National Treasury in electronic format was fully complied with on a monthly basis.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns that have undergone training in various divisions of the Financial Services Department. The contract of the five interns ends March 2015. Since the introduction of the Internship programme the Municipality has successfully employed and trained 13 interns through this programme and a majority of them were appointed either in the Municipality or other municipalities.

2 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3 Audit Committee

An Audit Committee has been established and is fully functional.

4 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.

5 Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

6 Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.12. OTHER SUPPORTING DOCUMENTS

Table 41 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand								
REVENUE ITEMS:								
<u>Property rates</u>								
Total Property Rates	10 010	9 226	7 085	9 378	10 328	12 020	12 693	13 404
<i>less Revenue Foregone</i>	4 314	3 120		3 178	3 178	2 746	2 899	3 062
Net Property Rates	5 695	6 106	7 085	6 200	7 150	9 274	9 794	10 342
<u>Service charges - electricity revenue</u>								
Total Service charges - electricity revenue	11 023	13 469	16 696	18 445	18 445	19 937	21 054	22 233
<i>Net Property Rates</i>				122	122	131	139	147
Net Service charges - electricity revenue	11 023	13 469	16 696	18 322	18 322	19 806	20 915	22 086
<u>Service charges - refuse revenue</u>								
Total refuse removal revenue	977	944	1 079	1 115	1 115	1 209	1 276	1 348
Total landfill revenue					-			
<i>less Revenue Foregone</i>				2	2			
Net Service charges - refuse revenue	977	944	1 079	1 113	1 113	1 209	1 276	1 348
<u>Other Revenue by source</u>								
List other revenue by source	787	1 530	428	755	-			
<i>building plans, cemetery, hoardings, rezoning, subdivisions</i>	-	-			841	185	195	206
<i>library fines/ copies</i>						18	18	20
business licences						5	5	6
rates clearance, valuations, insurance, donations, sundries						95	100	106
tourism		1				5	5	6
		893						
		163						
Total 'Other' Revenue	787	2 587	428	755	841	308	325	343

Table 41 MBRR Table SA1 - Supporting detail to budgeted financial performance continued....

EXPENDITURE ITEMS:								
<u>Expenditure By Type</u>								
Basic Salaries and Wages	11 316	11 334	12 952	13 501	14 185	19 459	20 549	21 700
Pension and UIF Contributions	1 029	1 103	1 863	1 507	1 532	2 156	2 277	2 404
Medical Aid Contributions	440	532	–	676	693	871	920	971
Overtime				160	160			
Performance Bonus	238	259	274	474	0	436	460	486
Motor Vehicle Allowance	140	111	166	628	628	660	697	736
Cellphone Allowance				78	78	24	25	27
Housing Allowances				–	–			
Other benefits and allowances		–	–	1 182	2 019	532	562	593
Payments in lieu of leave				–	–			
Long service awards			32	250	200	250	264	279
Post-retirement benefit obligations	751	608	(180)	100	100	100	106	112
<i>sub-total</i>	13 916	13 945	15 108	18 556	19 595	24 488	25 860	27 308
<u>Less: Employees costs capitalised to PPE</u>								
Total Expenditure By Type	13 916	13 945	15 108	18 556	19 595	24 488	25 860	27 308
<u>Contributions recognised - capital</u>								
<i>List contributions by contract</i>								
Total Contributions recognised - capital	–	–	–	–	–	–	–	–
<u>Debt impairment</u>								
Depreciation of Property, Plant & Equipment	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
Lease amortisation					–			
Capital asset impairment					–			
Depreciation resulting from revaluation of PPE					–			
Total Debt impairment	2 996	2 553	3 199	3 700	3 700	3 300	3 485	3 680
<u>Finance charges</u>								
Electricity Bulk Purchases	8 863	11 944	14 295	17 456	17 456	18 433	19 465	20 555
Water Bulk Purchases					–			
Total bulk purchases	8 863	11 944	14 295	17 456	17 456	18 433	19 465	20 555
<u>Transfers and grants</u>								
Cash transfers and grants	–	–	240	–	–	405	428	452
Non-cash transfers and grants	–	–	–	–	–	–	–	–
Total transfers and grants	–	–	240	–	–	405	428	452
<u>Other materials</u>								
<i>lmt, rural metro contract workers</i>	658	766	3 204	5 193	6 782			
<i>TMT</i>						2 746	2 899	3 062
<i>Total contracted services</i>	658	766	3 204	5 193	6 782	2 746	2 899	3 062

Table 41 MBRR Table SA1 - Supporting detail to budgeted financial performance continued....

Other Expenditure By Type								
Collection costs	8	51	59	–	–	42	45	47
Contributions to 'other' provisions	237		2 536	–	–			
Consultant fees			206		–			
Audit fees	523	677	900	1 100	3 494	1 750	1 848	1 951
General expenses	701	1 013	2 020	4 663	4 663	1 800	1 901	2 007
<i>Admin fees/ Projects</i>	600	(378)	1 045	284	284	299	316	334
<i>Chemicals</i>	143	280	415	180	180	252	266	281
<i>Electricity</i>	281	117				334	353	373
<i>Fuel</i>	334	434	492	339	339	439	464	490
<i>Insurance</i>	181	261	2 299	181	181	191	202	213
<i>MFMP, Financial systems & IT, valuations, EPWP, interns, v</i>	3 377	2 991	1 511			2 997	3 165	3 366
<i>Post and Telephone</i>	504	582	587	650	650	380	401	424
<i>Printing and Stationary</i>	243	420	355	300	300	269	285	301
<i>Refuse bags</i>	175	280		350	350	370	390	412
<i>Sundries</i>	1 313	1 027	6 474	403	403	145	153	162
<i>Cultural activities/YOUTH ACTIVITIES</i>	261	955	240	250	250	400	422	446
<i>DISASTER MANAGEMENT</i>		28	109	150	150	170	180	190
<i>Conference and travel</i>	216	349	567	1 005	1 005	725	766	808
<i>Advertisement</i>	126		262	142	142	230	243	256
<i>Protective clothing</i>	81	160	317	179	179	269	284	300
<i>store and materials</i>	84	144		165	165	200	211	223
Grants in aid/BURSARIES	72		14	90	90	405	428	428
Bank charges	81	104	460	145	145	153	162	171
Subscriptions/LEGAL FEES	65	80	217	450	450	760	803	848
Security	–	755	724	850	850	960	1 014	1 071
Public Participation		2 023	811	400	400	300	317	335
EPWP						934	986	1 042
Total 'Other' Expenditure	9 607	12 352	22 623	12 276	14 669	14 775	15 603	16 476
Repairs and Maintenance								
by Expenditure Item								
Employee related costs								
Other materials		1 741	2 192	2 714	3 158	2 506	2 647	2 795
Contracted Services								
Other Expenditure								
Total Repairs and Maintenance Expenditure	–	1 741	2 192	2 714	3 158	2 506	2 647	2 795

Table 42 MBRR Table SA2 - Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	Revenue by Vote	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Financial Services	Vote 4 - Corporate and	Vote 5 - Public Safety	Vote 6 - Public Health	Vote 7 - Protection Services	Vote 8 - Technical Services	Vote 9 - Refuse Removal	Total
R thousand											
Revenue By Source		9 274	23								9 297
Property rates		475									475
Property rates - penalties & collection charges									19 806		19 806
Service charges - electricity revenue											-
Service charges - water revenue											-
Service charges - sanitation revenue								1 209			1 209
Service charges - refuse revenue											-
Service charges - other							446				446
Rental of facilities and equipment		2 800									2 800
Interest earned - external investments											-
Interest earned - outstanding debtors											-
Dividends received						3 000					3 000
Fines						3 344					3 344
Licences and permits											-
Transfers recognised - operational		50					185				235
Agency services		37 994									37 994
Other revenue											-
Gains on disposal of PPE	-	50 593	23	-	-	6 344	631	1 209	19 806	-	78 605
Expenditure By Type		2 022	3 974	7 257			3 934	5 129	696	1 499	24 511
Employee related costs	2 790										2 790
Remuneration of councillors			1 150								1 150
Debt impairment								2 500		1 200	3 700
Depreciation & asset impairment											-
Finance charges										18 433	18 433
Bulk purchases	30	51	10	114			98	1 313	515	375	2 506
Other materials							2 746				2 746
Contracted services			75	230						100	405
Transfers and grants	1 485	1 212	4 787	2 715	170	-	450	3 501	536	938	15 794
Other expenditure											-
Total Expenditure	4 305	3 285	9 996	10 316	170	-	7 229	12 442	1 747	22 545	72 035
0	(4 305)	47 308	(9 974)	(10 316)	(170)	6 344	(6 598)	(11 234)	18 059	(22 545)	6 571
Surplus/(Deficit)							12 610		3 000		15 610
Transfers recognised - capital											-
Contributions recognised - capital											-
Contributed assets	(4 305)	47 308	(9 974)	(10 316)	(170)	6 344	6 012	(11 234)	21 059	(22 545)	22 181

Table 43 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand								
ASSETS								
<u>Call investment deposits</u>								
Call deposits < 90 days	500	500	500	23 040	23 040	500	500	500
Other current investments > 90 days	29 540	44 540	66 540	22 540	22 540	19 500	26 705	37 734
Total Call investment deposits	30 040	45 040	67 040	45 580	45 580	20 000	27 205	38 234
<u>Consumer debtors</u>								
Consumer debtors	5 911	2 045	2 649	3 500	2 010	3 650	3 000	2 600
Less: Provision for debt impairment	(2 209)	(473)	(124)	(1 490)	–	(1 150)	(800)	(600)
Total Consumer debtors	3 702	1 572	2 526	2 010	2 010	2 500	2 200	2 000
<u>Debt impairment provision</u>								
Balance at the beginning of the year	414	1 914	73	4 914		2 914	4 064	4 864
Contributions to the provision	1 795	1 500	51	(2 000)		1 150	800	600
Bad debts written off								
Balance at end of year	2 209	3 414	124	2 914	–	4 064	4 864	5 464
<u>Property, plant and equipment (PPE)</u>								
PPE at cost/valuation (excl. finance leases)	87 763	106 209	120 437	210 613	210 613	225 770	252 976	269 976
Leases recognised as PPE					–			
Less: Accumulated depreciation	14 460	16 851	3 137	35 067	35 067	38 367	42 067	45 767
Total Property, plant and equipment (PPE)	73 304	89 358	117 300	175 546	175 546	187 403	210 909	224 209
LIABILITIES								
<u>Current liabilities - Borrowing</u>								
Short term loans (other than bank overdraft)								
Current portion of long-term liabilities								
Total Current liabilities - Borrowing	–	–	–	–	–	–	–	–
<u>Trade and other payables</u>								
Trade and other creditors	1 709	2 554	2 498	3 500	3 500	2 500	2 000	1 800
Unspent conditional transfers	4 267	14 850	13 526	23 125	23 125	2 000		
VAT					–			
Total Trade and other payables	5 976	17 403	16 025	26 625	26 625	4 500	2 000	1 800
<u>Non current liabilities - Borrowing</u>								
Borrowing								
Finance leases (including PPP asset element)								
Total Non current liabilities - Borrowing	–	–	–	–	–	–	–	–
<u>Provisions - non-current</u>								
Retirement benefits	1 975	2 496	2 312	2 544	2 544	2 344	3 536	3 783
List other major provision items								
Refuse landfill site rehabilitation					–			
Other		1 004	3 449			960		
Total Provisions - non-current	1 975	3 501	5 761	2 544	2 544	3 304	3 536	3 783
CHANGES IN NET ASSETS								
<u>Accumulated Surplus/(Deficit)</u>								
Accumulated Surplus/(Deficit) - opening balance	92 326	107 495	141 490	179 619	176 175	189 900	216 669	242 576
GRAP adjustments								
Restated balance	92 326	107 495	141 490	179 619	176 175	189 900	216 669	242 576
Surplus/(Deficit)	20 378	35 071	34 540	13 189	16 632	22 181	29 924	31 098
Appropriations to Reserves								
Transfers from Reserves								
Depreciation offsets								
Other adjustments								
Accumulated Surplus/(Deficit)	112 704	142 565	176 030	192 807	192 807	212 080	246 593	273 674
<u>Reserves</u>								
Housing Development Fund								
Capital replacement								
Self-insurance								
Other reserves								
Revaluation								
Total Reserves	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	112 704	142 565	176 030	192 807	192 807	212 080	246 593	273 674

21.3. TARIFF CHARGES 2014/15

A TOWN PLANNING	2013/2014	2014/15
1.1 Consideration for approval of subdivisions/consolidations		
1.1.1 Basic fee	1056	1115.15
1.1.2 Additional fee, per subdivision (Remainder to be considered a subdivision)	132	139.40
1.1.3 Amendment of subdivision in process	264	278.80
1.1.4 Application for registration of right of way servitudes/long term leases- Administration fee (note – this excludes legal fees)	264	278.80
1.1.5 Application for phasing/cancellation of approved layout plans –Administration fee	1848	1951.50
2. Application for relaxation of building line and / or side and rear spaces in terms of Town Planning clauses (per application)	792	836.35
3. Rezoning application		
3.1 Rezoning of unused public open spaces in line with Councils policy (Note - advertisement, Closure and subdivision/consolidation fees would still apply)	NIL	NIL
3.2 Other rezoning:		
1) Less than 1 ha	3168	3345.40
2) 1 ha and over but less than 5 ha	3696	3903.00
3) 5 ha and over but less than 10 ha	4752	5018.15
4) 10 ha and over	6336	6690.85
4. Zoning certificates	264	278.80
5. Special consent		
5.1 Consent to operate home industry without additional employment opportunities (Category A)	1056	1115.15
5.2 all other consent use applications (Category B)	2112	2230.30
6. Removal of Restrictive Conditions of Title	1584	1672.70
7. Closure of Public Streets/ Open Spaces – Admin fee	396	418.20
8. Administration of DFA Applications		
1) Less than 1 ha	3168	3345.40
2) 1 ha and over but less than 5 ha	3696	3903.00
3) 5 ha and over but less than 10 ha	4752	5018.15
4) 10 ha and over	6336	6690.85
9. Development outside of scheme areas		
1) Less than 5 ha	4224	4460.55
2) 5 ha and over but less than 10 ha	5808	6133.25
3) 10 ha and over	8448	8921.10

10. Public Notice

10.1 Notices in the legal section

2640

2787.85

10.2 Notices in the body of the paper

6124.8

6467.80

11. Hearings

Cost plus 10%

Cost plus 10%

12. Fines – as per Section 75 and 89 of the Planning and Development Act

12.1 Fines as per Section 75

as per Court Order

as per Court Order

12.2 Additional penalties in accordance with Section 76

as per Court Order

as per Court Order

10-100% of value of

10-100% of value of

illegal

illegal

building/constructi

building/construction etc

on etc

building/construction etc

12.3 Section 89 Civil Penalty

B. CHARGES FOR THE SUBMISSION OF PLANS FOR NEW BUILDINGS OR ALTERATIONS OR EXTENSIONS TO EXISTING COMPLETED BUILDING**1. New works**

For each new building or additions to existing buildings
per square metre:

a. for the first 20m²

227.04

239.75

b. Each additional 10m² or part thereof up to 5 000m²

31.68

33.45

c. Each additional 10m² or part thereof more Than 5 000m² and up to 15 000m²

26.4

27.90

d. Each additional 10m² or part thereof more Than 15 000m²

337.92

356.85

e. for swimming pools

337.92

356.85

f. for boundary walls

316.8

334.55

g. For any other plan submitted other than Described above, a fixed tariff of

506.88

535.30

h. for a permit for minor structures in terms of

Act 103 of 1977, a fixed tariff of

227.04

239.75

2. As built or amended plans

For as built plans, 25% of existing submission fee, plus
Full tariff for additional new works

3. Internal alterations to existing buildings

Any form of internal alterations to existing buildings of
Any nature not defined as “as built” or amended plans”

a. Fixed tariff: Structures up to 500m ²	337.92	356.85
b. Structures up to 5000m ²	675.84	713.70
c. Structures exceeding 5000m ²	1235.52	1304.75
	50% of existing submission fee	50% of existing submission fee
4. For the renewal of plans which have expired		
5. Reproduction of Building Plans		
Reproduction of building plans on paper		
a. A0	42.24	44.60
b. A1	31.68	33.45
c. A2	26.4	27.90
d. A3	21.12	22.30
Reproduction of building plans on Plastic Film		
a. A0	116.16	122.65
b. A1	68.64	72.50
c. A2	47.52	50.20
d. A3	36.96	39.05
6. Minor works in terms of the National Building Regulations or other work not listed above	73.92	78.05
7. Amendments to plans	73.92	78.05
8. Non – compliance with Building Inspectors Instructions	279.84	295.50
9. Additional on site inspections – per visit Of Municipality)	73.92	78.05
10. Verge Deposit (refundable at discretion of Municipality)	337.92	356.85
11. Signs - Post type signs, i.e. the type of sign Designed to take inter-changeable posters: Charge for inspection plans	89.76	94.80
C. BUS AND TAXI RANKS		
Fee for the issue or renewal of a permit to use a public vehicle stand:		
1. Public buses, per annum for each bus	300.96	317.85
2. Per annum for each bus in excess of two in the same ownership	179.52	189.60
3. Taxis, per annum	147.84	156.15
4. Agents for the privilege of operating from the Bus Rank, per vehicle per annum or part thereof	137.28	145.00

D. CEMETERY

1. Burial fees:

a. Where the deceased immediately before His death was resident in the Council's area Of jurisdiction or alternatively reserved a site

337.92 356.80

b. Where the deceased was not a resident As in (a)

786.72 830.80

2. Reservation fees

A non-refundable amount shall be payable for each plot reserved for residents

337.92 356.85

3. Indigent support grant – (in terms of the Indigent Support Policy asapproved by Council, from time to time.)

4. Pauper Burial

FREE FREE

E. COMMUNAGE

1. Grazing fee - payable monthly in advance for every ha of land rented

36.96 39.05

F. EXECUTION OF WORK

For the execution of the following services for the purposes envisaged in sections 219 and 220 of the Local Authorities Ordinance, No.25 of 1974, the following charges shall be levied and paid, provided that prior to these services being undertaken, arrangements to the satisfaction of the Municipal Manager shall be made for the payment of the amount involved, except where it is specifically stated that the fees shall be paid in advance:

1. Hardening of footpaths, including the reinstatement of existing footpaths:

Cost plus 20% Cost plus 20%

2. Special drainage connecting storm water drains and channels from private property to open channels and adjoining kerb (connections up to and including 150mm diameter Pipes) across footpaths:

Cost plus 20% Cost plus 20%

3. Reinstatement of road surfaces:

Cost plus 20% Cost plus 20%

4. Altering of storm water culverts channels, sewers, Kerbs or footpaths to permit the erection of veranda Columns or other structures:

Cost plus 20% Cost plus 20%

5. Erection of street gutter bridges or kerb entrances across street drains:

a. When constructed simultaneously with the laying of any street

no charge no charge

b. When constructed after the street has been completed:

Cost plus 20% Cost plus 20%

6. Jobbing, etc. In respect of any materials or repairs, construction or any other work, there shall be payable the actual cost to the Council plus

0.2112 0.22

G. MISCELLANEOUS

1. Valuations

1.1. Notice of appeal in terms of section 53 of the Property Rates Act, No. 6 of 2004.

137.28 145.00

1.2. Valuation roll, per copy

147.84 156.15

1.3. Valuation certificate for issue reflecting the rateable value of property appearing in the valuation roll

100.32 105.95

2. Any certificate in terms of section 118 of the Municipal Systems Act.	100.32	105.95
3. Application fees and deposits for a licence/permit for outdoor advertising		
Every person who applies to the Council for its approval or permission shall, on making application, pay to the Council the charge determined therefore and no application shall be considered until such charge has been paid; the charges are set out below:		
3.1.1. A non-refundable application fee of R160.00 (One hundred and Fifty Rand) must be tendered with each application for sign types 2 (ground signs), 3 (wall signs), 4 (roof signs) and 5 (veranda, balcony, canopy and under-awning signs). Any minor amendment to an application, considered by the duly authorised official of Council to be a minor amendment, may be submitted at a reduced application fee of R50.00 (Fifty Rand) each.	168.96	178.42
3.1.2. A non-refundable application fee of R480.00 (Four Hundred and Fifty Rand) must be tendered with each application for sign type 1 (billboards) and all non-locality bound signs in excess of 12m ² .	506.88	535.30
3.1.3. The approval fee for 1 and 2 is R40.00 (Forty Rand) per square metre of advertising display or part thereof with a minimum fee of R45.00 (Forty Rand) per application.	47.52	50.20
3.1.4. A non-refundable application fee of R55.00 (Fifty Rand) must be tendered with each application for advertisements for sign types 6 (posters, banners and flags).	58.08	61.35
3.1.5. On approval of posters, the applicant must purchase non-refundable stickers from the Council which are to be clearly visible on all posters displayed as follows: R1.00 (One Rand) per sticker to be paid for each poster to be Displayed for non-profit bodies only. These posters must display the fundraising numbers of the bodies or a formal constitution has to be submitted to the Council. No commercial advertising and logos of sponsors will be permitted to appear on such posters;		
	R1.05 per sticker	R1.15 per sticker
a. R2.50 (Two Rand and Fifty cents) per sticker to be paid for each poster to be displayed for religious, sporting, social, cultural, political and other events. A subordinate percentage of commercial advertising and logos of sponsors is permitted to appear on such posters; or	R2.64 per sticker	R2.80 per sticker
b. R5.00 (Five Rand) per sticker to be paid for each poster to be displayed for events considered by the Council or its duly authorised officials to be primarily of a commercial nature.	R5.28 per sticker	R5.60 per sticker
3.1.6. A non-refundable application fee of R640.00 (Six Hundred) per annum or part thereof must be tendered with the annual application for sign type 7 (estate agents' boards); the maximum number of boards required at any given time to be specified in such application.		
3.1.7. A non-refundable application fee must be tendered with the annual application for sign type 7 (portable boards or any other collapsible structure).	675.84	713.69
3.1.8. A non-refundable application fee of R215.00 (Two Hundred) must be tendered with each application for sign type 8 (aerial advertisements); adequate public liability insurance for the duration of display will also need to be furnished to Council's satisfaction.	227.04	239.75
3.1.9. A non-refundable application fee of R1 275.00 (One Thousand, Two Hundred Rand) per annum or part thereof must be tendered with each annual application for any sign type 9 (advertising vehicles); a certified copy of the current vehicle licence will also need to be furnished.	1346.4	1421.80
3.1.10 An encroachment fee of R55/m ² to be paid on approval of an application for each sign type that encroaches over Council property.	R58.08/m2	R61.34/m2

3.2. Application fee for permission to create or display any advertisement board or sign	Deposit	675.84	713.70
4. Audit Report			
4.1 Final accounts and audit report, per folio		2.112	2.25
5. Vehicles			
5.1 Impoundment fee is charged at a rate per vehicle, per day excluding security		359.04	379.15
6. Tender Documents:	per document	337.92	356.85
7. Printing of Maps, GIS	Black/white A4	15.84	16.75
	A3	21.12	22.30
	A2	31.68	33.45
	A1	36.96	39.05
	A0	52.8	55.75
	Colour A4	31.68	33.45
	A3	42.24	44.65
	A2	137.28	145.00
	A1	147.84	156.15
	A0	195.36	206.30
8. Informal Traders	p/month	26.4	27.90
H. REFUSE REMOVAL			
1. Private dwelling, per refuse receptacle for clearance once a week, - Melmoth		58.09	62.74
	- Thubalethu	21.12	22.80
2. Business premises, industrial premises and administrative premises of the State on a daily basis i.e. 6 days per week			
a. Up to and including 2 refuse receptacles per month		200.64	216.70
b. In excess of 2 but not exceeding 4 refuse receptacles, per month		264	285.15
c. In excess of 4 but not exceeding 6 refuse receptacles, per month		348.48	376.35
d. For each additional receptacle in excess of 6, Per month		84.48	91.25

I. GARDEN REFUSE

a. By tractor and small trailer, per load	300.96	325.05
b. By tractor and large trailer, per load	422.4	456.20
c. Clearing lots: Cost plus	0.2112	0.25
d. Clearing of Building rubble, per load	480.48	518.90

J. ELECTRICITY SUPPLY AND USE

The cost of the service cable for all connection fees from the nearest point of supply at the erf boundary will be for the customer's account, except for Light Line and Alternative type connections.

1. Single phase split pre-payment connection (60 amp)	1518.528	1603.60
2. a. Single phase pre-payment connection (Thubalethu 20 amp)	1679.04	1773.05
b. Upgrade single phase pre-payment Connection (20 amps - 60 amps)(Thubalethu).	5776.32	6099.80
c. a 20 amp supply with a connection fee of (Thubalethu Ph III – Indigent support)	633.6	669.10
3. Single phase meter conversion from conventional to pre-payment (Domestic and Small Business)	1520.64	1605.80
4. Three phase meter conversion from conventional to three phase pre-payment (Domestic and Small Bus	2407.68	2542.50
5. Single phase conventional connection	1265.088	1335.95
6. Second single phase prepayment connection on the same or subdivided premises	7935.84	8380.25
7. Single phase meter conversion from conventional to three phase conventional (Domestic and Small Bus	8349.792	8817.40
8. Single phase meter conversion from conventional to three phase pre-payment meter (Domestic and Sm	9176.64	9690.55
9. Domestic conversion from single to three phases Maximum demand connection (100Amp)	9530.4	10064.10
10. Domestic three phase conventional connection with a maximum demand of 100A (Melmoth)	9250.56	9768.60
11. Domestic three phase pre-payment connection	3641.088	3845.00
12. New 80A single phase supply or conversion from 60A to 80A	3062.4	3233.90
13. Non-domestic three phase connection with a Maximum demand of 100A	11098.56	11720.10
14. Conversion from 80A single phase pre-payment to 3 phase pre-payment connection	7101.6	7499.30
15. Three phase connection with a max demand greater than 100 Amp (Mthonjaneni) All cost plus 10% of all equipment necessary plus the cost of the infrastructure contributions for additional electricity above that for existing or allowed, based on the zoning and area of the premises.		
16. An annual availability charge shall be assessed and levied in respect of each unserved erf	2270.4	2397.55
17. Temporary connection		
a. For building purposes, per building unit or Contractor's site	316.8	334.55
b. Basic monthly charge	42.24	44.60
Single-phase, per month	63.36	66.90
Three-phase, per month		
18. Tamper Costs:		
Any meter found to be tampered with	1372.8	1449.70
Plus 3 months average consumption to be calculated by finance department.		

K. FEES INVESTIGATING CONSUMER FAULTS

When the Electricity Department is requested to investigate a power interruption and where it is found that such power failure is due to a fault in the installation, or to the faulty functioning of equipment used in connection therewith, the consumer shall pay the following fees:

a. Within the Municipal area during normal Working hours	89.76	94.80
after working hours - Additional	79.2	83.65
b. Outside the Municipal area during normal working hours	147.84	156.10
after working hours - Additional	116.16	122.65

L. FEES FOR SPECIAL METER READING

When a consumer disputes the reading of the meter and requests that the meter is read again so as to confirm this, the following fees will be Levied if found that the first reading was correct:

89.76	96.39
--------------	--------------

M. DEFAULT IN PAYMENT

Where the consumer's supply has been disconnected / or due to be disconnected due to the non-payment of the account there shall be a payable fee of.

89.76	96.39
--------------	--------------

N. ELECTRICITY TARIFFS**Domestic Prepaid – Low****Consumption**

92.70	99.55
--------------	--------------

Domestic Prepaid**Consumption**

1 - 50 kWh

89.05	95.63c
--------------	---------------

51 - 350 kWh

102.46	110.03c
---------------	----------------

351 - 600 kWh

136.62	146.72c
---------------	----------------

601 - 99999 kWh

138.03	148.23c
---------------	----------------

Domestic Credit

1 - 50 kWh

76.85	82.53c
--------------	---------------

51 - 350 kWh

95.14	102.17c
--------------	----------------

351 - 600 kWh

134.18	144.10c
---------------	----------------

601 - 99999 kWh

156.13	167.67c
---------------	----------------

Basic Charge: Single Phase

Domestic: 70 Amps – Basic:

per month

60.99/month**65.50/ month****Commercial Prepaid**

commercial prepaid three phase

169.55**182.08c**

Commercial: 70 Amps basic

257.38/month**276.40/month**

energy

111**119.20c****3 Phases**

Commercial: 60 Amps basic

257.37/month**276.38/month**

energy

113.44**121.82c**

Commercial: 100 Amps basic

257.38/month**276.40/month**

energy

113.44**121.82c**

Large Customers

Greater than 100 Amps – KVA demand charge
energy

155.89/month
69.52/month

167.41/month
74.65/month

O. COMMUNITY HALLS AND SPORTSFIELDS**1. The following are exempt from the payment of tariffs and deposits for Community Halls:**

1.1 Meetings administered by National or Provincial Departments

associated with National or Provincial initiatives to promote upgrading, upliftment or development within Council area of jurisdiction.

1.2 Meeting of Senior Citizens Club, Service Clubs, Schools, Associations, Charitable/Welfare Organisations, Amateur Sports Institutions and Religious Activities (excluding church service), Ward Committee Meetings.

2. The following tariffs and deposits are payable for the hire of the facilities:**Community Hall**

2.1.1 Weddings		1314.72	1388.34
2.1.2 Other functions that is Dances, shows, bazaars		955.68	1009.20
2.1.3 Political, Union and similar Meetings		300.96	317.85
2.1.4 a; Church Services for day		153.12	161.70
b: for every three hour period		63.36	66.95
2.1.5 Kitchen		422.4	446.05
2.1.6 Crockery		422.4	446.05
2.1.7 Hiring of Round Tables in the Main Hall, Per function	each	36.96	39.05

USAGES AND TARIFFS FOR BOTH CRECHES AND P- CENTERS

NB: No deposits for these facilities as the people who live in these areas are of a low income.

CRECHES

1. Weddings -		422.4	446.05
2. Parties –		179.52	189.57
3. a: Churches- day		63.36	66.90
b: for every three hour period		36.96	39.05
4. Political Meetings		121.44	128.25
5. Funerals		63.36	66.95
6. Municipality		Free	Free
7. Government Functions-		Free	Free
8. Community Meetings-		Free	Free
9. Sport Meetings-		Free	Free

P- CENTRES

1. Weddings - Refundable R100.00	168.96	178.45
2. Parties - Refundable R100.00	168.96	178.45
3. a: Churches - day	63.36	66.95
b: for every three hour period	36.96	39.05
4. Political Meetings -	422.4	446.05
5. Funerals -	63.36	66.95
6. Municipality -	Free	Free
7. Government Functions -	Free	Free
8. Community Meetings	Free	Free
9. Sports Meetings	Free	Free

2.2 Preparation and Cleaning

Where the venue is required solely for the preparation or cleaning up purposes on the day before or after the day of hire: 25% of the relevant daily hire.

2.3 Deposits

2.3.1. A deposit of R2000.00 shall be payable to cover any possible breakage by hirers in terms of clauses 2.1.1, 2.1.2 and 2.1.3, of which R 1700.00 is refundable, and R300 to be used for cleaning purposes is not refundable

2.3.2 A deposit of R350.00 shall be payable by users in terms of clauses 1.1, 1.2 and 2.1.4, to cover any possible breakages, of which R 300.00 is refundable, and R50 to be used for cleaning purposes is not refundable

2.5 Sports fields

2.5.1 Deposits and Rentals		
2.5.1.1 Deposit for the Association	1056	1115.15
2.5.1.2 Rental per day	242.88	256.50
2.5.1.3 Two Games per day, 3 times a week		
2.5.1.4 Association to give Council an annual fixture for the games		

2.5.2 Schools

2.5.2.1 Rental per day	200.64	211.90
2.5.2.2 Deposit	1056	1115.15

2.5.3 Rallies / Special Events

2.5.3.1 Rental per day	1304.16	1377.20
2.5.3.2 Deposit	2112	2230.30

2.5.4 Sports Equipment

To be used at special occasions on request.

2.5.5 Thubalethu Sport Field: Deposit	422.4	446.05
Hire	126.72	133.85
2.5.6 Regional Sports Fields: Deposit	158.4	167.30
Hire	116.16	122.70

P. LIBRARY ACTIVITIES

Library hours: Monday – Friday 10:00am – 4:00pm
Saturday 9:00am – 11:00am

a. Tariffs on overdue Material :

- (i) On books - per book per week
Maximum fine
- (ii) On DVD's & Videos - on each per day
Maximum fine

b. Photocopies - per page**c. Internet print out - per page****1.056****1.15****1.584****1.70****Q. SWIMMING POOL****a. Use of the pool between the hours per adult****21.12****10.00**

Of 10:00 & 18:00 per child

10.56**5.00**Season Ticket **R 80.00 for ticket + R 80.00 for Key****168.96****169.00****b. Children up to and including 6 years of age if accompanied by an adult****Free****Free****c. No child aged 6 years and under, if un-accompanied by an adult, will be admitted to the pool.****R. FIRE BRIGADE SERVICES**

a. Fire brigade services rendered in respect of attendance at fires, emergencies and special services within the council's area of jurisdiction.

(Note that all charges indicated are levied per hour or part thereof from the time of departure until time returned. Part of an hour is deemed to be a full hour).

Note! For Fire & Rescue Incidents 50% of the hourly fee will apply for fires that are out on arrival, motor vehicle accidents that are of a fender bender nature and for all incidents that require a standby function by fire fighting crews.

1.1 Attendance at fires in residential/non-profit premises

1679.04**1773.10**

1.2 Attendance at fires in commercial or industrial premises

2576.64**2720.93**

1.3 Attendance at private vehicle

1679.04**2720.93**

1.4 Attendance at goods vehicle or other transportation

2576.64**2720.95**

1.5 Attendance at grass, bush or rubbish

Free**Free**

1.6 Attendance at any grass, bush, garden refuse or rubbish

Fire caused by any malicious act or omission, negligence

Or disregard of any law.

559.68**591.02**

1.7 Attendance at any false alarm good intent, automatic

Fire alarm: false alarm good intent or any fire –

Out on arrival.

Free**Free**

1.8 Attendance at automatic fire alarm: false alarm condition caused by any omission, negligence or lack of Reasonable maintenance or disregard of any law).

1679.04 1773.10

1.9 Attendance at entrapments

1679.04 1773.10

1.10 Attendance at vehicle accidents.

1679.04 1773.10

1.11 Attendance at medical emergencies or other rescue

1679.04 1773.10

1.12 Attendance at other humanitarian service

1679.04 1773.10

1.13 Attendance at any malicious false alarm caused by any malicious act or omission, negligence or disregard of any law

1679.04 1773.10

1.14 Cost of replacement of any extraordinary extinguishing Agents, supplies, materials, tools or equipment used at, Or damaged during any accident or in connection with Any such incident or the hire of any contractors or Equipment.

3136.32 3311.95

2. HAZMAT OR SPILLAGES

2.1 Attendance at hazardous substance incidents

3136.32 3311.95

2.2 Attendance at fuel spillages and road obstructions on roadway

3136.32 3311.95

2.3 Attendance at any malicious false alarm caused by any Malicious act or omission, negligence or disregard of any law

1679.04 1773.10

2.6 Cost of replacement of any extraordinary extinguishing agents, supplies, materials, tools or equipment used at, or damaged during any incident or in connection with any such incident or the hire of any contractors or equipment.

Cost plus 15%

Cost plus 15%

3. SPECIAL SERVICES

3.1 Pumping operations (hourly rates plus cost of water) refer to charges set out in section B.2.

3.2 Miscellaneous special services

3.3 Standby services

3.4 Attendance at Bee, Snake or other dangerous creature complaints p/hr

337.92 356.85

3.5 Equipment loan: emergency life support p/hr

21.12 22.30

3.6 Cost of replacement of any extraordinary extinguishing Agents, supplies, materials, tools or equipment used at, Or damaged during any incident or in connection with Any such incident or the hire of any contractors or Equipment.

Cost Plus 15%

Cost Plus 15%

B. FIRE BRIGADE SERVICES RENDERED IN RESPECT OF ATTENDANCE AT FIRES, RESCUES, HAZARDOUS MATERIAL INCIDENTS AND SPECIAL SERVICES, OUTSIDE COUNCIL'S AREA OF JURISDICTION

1 TURN – OUT FEE AND REPLACEMENT COSTS

1.1. A Turn – out fee will be levied in addition to the charges Specified in B.2. Below.

1906.08 **2012.82**

1.2. This turn – out fee is not applicable in respect of an Official Mutual Aid Agreement between Fire Brigade Services.

0.00

1.3. Cost of replacement of any extraordinary extinguishing Agents, supplies, materials, tools or equipment used at, Or damaged during any incident or in connection with Any incident or in connection with any such incident or The hire of any contractors or equipment.

Cost Plus 15%

Cost Plus 15%

2. VEHICLES PERSONNEL & EQUIPMENT

2.1. Per fire tender or rescue appliance

2576.64

2720.95

2.2. Per equipment trailer

448.8

473.95

2.3. Per aquatic rescue craft

448.8

473.95

2.4. Per staff car / bakkie

559.68

591.05

2.5. Per item of portable motor driven equipment

168.96

178.45

2.6. Per kilometre per fire tender or rescue vehicle

10.56

11.15

2.7. Per kilometre per staff car

5.28

5.60

2.8. Per fire officer

279.84

295.50

2.9. Per fire-fighter

168.96

178.45

C. FIRE SAFETY SERVICES

1. Registration of flammable substance installations And vehicles

116.16

122.65

2. Investigation of fires

0.00

3. Per copy of incident report

58.08

61.35

4. Standby services

5. Fire survey as requested

D. CONTROL CENTER SERVICES

1. Monthly monitoring fee: Alarm systems linked to fire control

137.28

145.00

2. Copy of alarm or incident report

58.08

61.35

POUND FEES**1. Transport fees**

The kilometre tariff for vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile Association of South Africa (AA) from time to time.

2. All inclusive Pound fee, which include:

a) the pound fee; i) R20.00 per day, or part thereof for any pig, sheep or goat:	21.12	22.30
b) a tending fee;	0	0.00
c) dipping or spraying fees; ii) R 55.00 per day, or part thereof, for any other animal	58.08	61.35
d) wound dressing costs and fees;		
e) medication costs and fees; and		
f) veterinarian fees		

2.14 MUNICIPAL MANAGERS' QUALITY CERTIFICATE



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Mthonjaneni Municipality

IR.P Mnguni municipal manager of Mthonjaneni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name **Raymond Phiwamandla Mnguni**
Municipal manager of Mthonjaneni Municipality (KZN285)

Signature _____

Date **25 March 2014**

